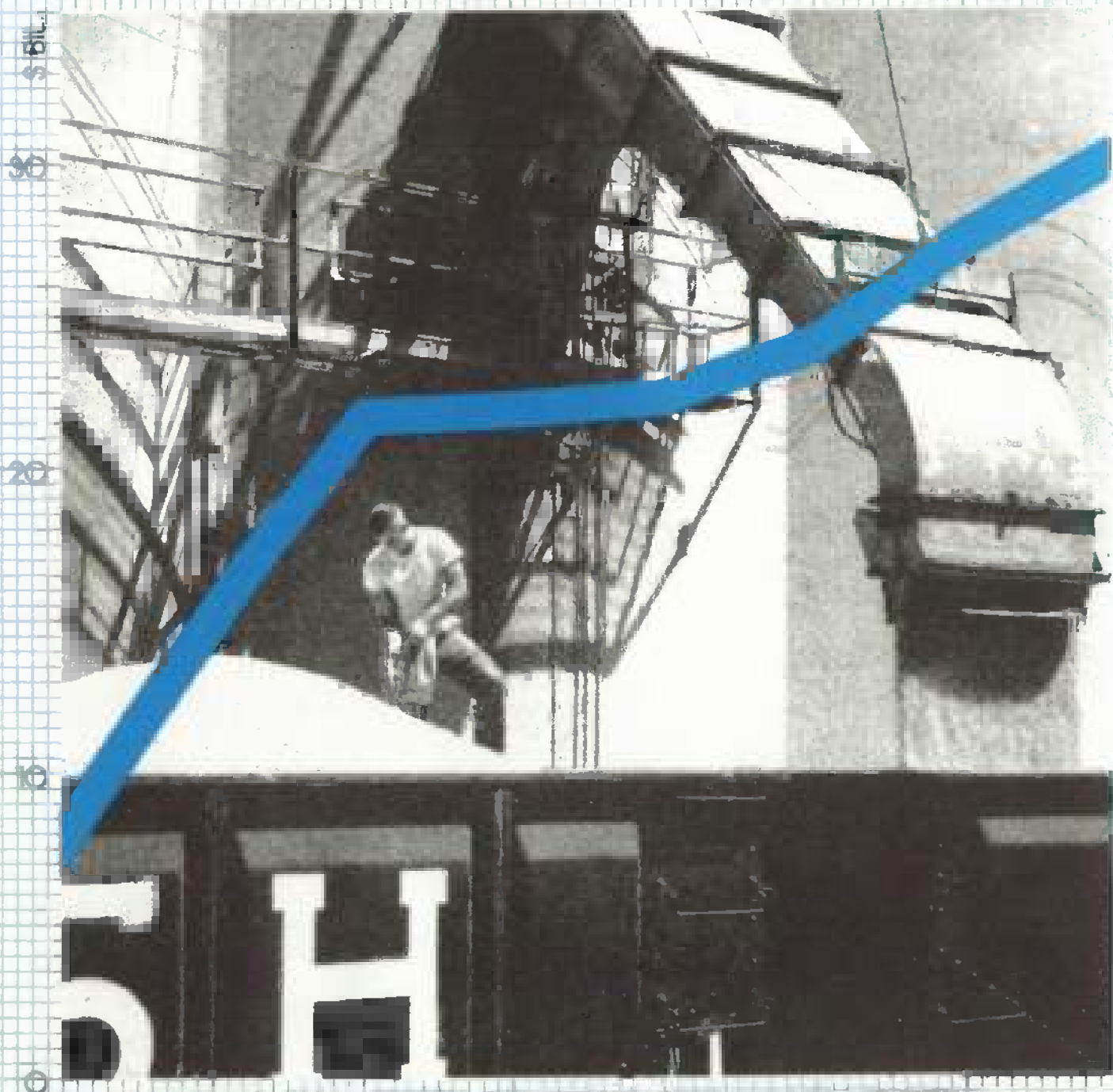


# AGRICULTURAL OUTLOOK

USDA • ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE • AO-411



U.S. FARM EXPORTS (FISCAL YEAR 1972-FORECAST 1979)

MARCH 1979



## March 1979/AO-41

### Page

#### 1 Outlook in Brief

Stronger than expected demand for farm products at home and abroad and bad weather in the United States this winter have prompted economists to up their latest forecasts of food prices, farm income, and export values.

#### 2 General Economy

Domestic demand for food is running very strong as rapid expansion in the U.S. economy has increased personal incomes more than expected. Although demand may weaken some as economic growth slows later in the year, it should remain relatively strong.

#### 3 World Agriculture and Trade

Foreign demand has been and will continue strong. Agricultural exports are expected to reach an all-time high of over \$30 billion in the current fiscal year.

#### 4 Agricultural Economy

Net farm income is expected to improve further in 1979. Higher prices are expected to push cash receipts up faster than production expenses, leaving net farm income above the 1978 level of \$28 billion.

#### 9 Food and Marketing

While retail food prices in 1979 are still expected to increase within a range of 6 to 10 percent from last year, bad weather and stronger than expected demand have added about 1 percent to last month's forecast increase of 7½ percent.

#### 11 Policy

Several important issues currently being debated by policymakers concern the extent to which the government should support farm prices and income, the risk the government might assume for disasters, and the attitude toward trade, particularly imports.

#### 12 Soviet Emphasis on Livestock Offers Grain Export Opportunities For United States

The Soviet Union's push to expand its livestock industry—and its subsequent need for imported grains in poor production years—make the USSR a highly important, although variable, grain export market for the United States.

#### 14 Recent Publications

A brief listing of recent USDA reports, arranged by subject matter, which might be of interest to Agricultural Outlook readers.

#### 16 Statistical Indicators

A tabular presentation of key data series for the food and fiber sector.

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## Outlook in Brief

Major developments reported in this issue of *Agricultural Outlook* include: Assessment of general economic conditions and their implication for agriculture and food; the sharp rise in January 1979 food prices; and revised forecasts of 1979 commodity prices, food prices, agricultural exports, and farm income.

The economy entered 1979 after achieving good gains in real growth in gross national product, disposable personal income, and employment in 1978. Gains were especially strong in the fourth quarter.

The U.S. economy is expected to grow more slowly this year than last. In January there was some evidence that the pace of economic growth had begun to slow: Industrial production was up only slightly from December, but there were gains in employment. The employment possibilities will affect the level of off-farm income which is now greater than net farm income.

Inflation continues to be a major problem; the January Consumer Price Index was higher by 0.9 percent than December's and January food price increases were sharply higher.

Farm commodity prices have increased considerably during the first 2 months of 1979. In February, the Index of *Prices Received by Farmers* (1967=100) reached 240, up 8 percent from December 1978. Prices of livestock increased the most, led by the average of beef cattle prices which increased from \$54.10 per cwt. in December to \$64.10 in February.

Compared with fourth quarter 1978, revised forecasts of the index for first quarter 1979 and the year as a whole are as follows:

	Live-stock	Crops	All farm products
Fourth quarter 1978	232	203	219
Midpoint of first quarter 1979	251	212	233
Range for 1979	245-265	200-220	225-240

While retail food prices in 1979 are still expected to increase within a range of 6 to 10 percent above 1978, current conditions suggest an average rise of about 8½ percent. Conditions in late January had suggested an increase of about 7½ percent. Adverse weather and stronger than expected demand have added about 1 percent to that estimate.

The increase for the year as a whole is expected to be less than last year's 10 percent rise because of anticipated slower growth in the economy and large prospective supplies of most commodities.

Most of the food price increase for 1979 will occur early this year. Weather-induced supply problems or some fresh foods and tight meat supplies this winter with strong demand caused prices to rise more than expected.

World grain supplies are abundant and large crops are likely again this year if weather conditions are favorable. Beef slaughter will decline further, but there are signs producers have started to rebuild the breeding herd. Pork and poultry production will rise sharply.

Marketing margins are expected to increase this year in line with the expected rate of inflation in the rest of the economy.

Per capita food consumption will be steady in 1979 with a slight shift from animal products to crop products in the diet. Food expenditures in real terms will increase slightly more than population growth. When measured in current dollars, consumer demand for food will remain very strong and expenditures will rise substantially, mainly because prices will increase.

Foreign demand has been and will continue strong. Agricultural exports are expected to reach an all-time high of over \$30 billion in the current fiscal year.

The export volume of major commodities, however, will remain near the 122-million-metric-ton level of last year. Exports will increase to most areas except the USSR.

Net farm income is expected to improve further in 1979. Higher prices are expected to cause 1979 cash receipts to rise faster than production expenses, leaving net farm income (before inventory adjustment) above the 1978 level of \$28.2 billion. Present information indicates that the final outcome will range between \$28 and \$33 billion, with current conditions suggesting something around \$30 billion.

Although economic growth is expected to slow this year, off-farm income should match, and may exceed last year's \$34 billion. Total income of farm operators this year could exceed that of 1978.



## General Economy

Key monthly economic indicators revealed that the Nation's economy slowed in January. Severe weather in some parts of the country was undoubtedly a factor. However, a slowdown was expected to follow the rapid pace of economic activity during the fourth quarter of 1978. During this period, the total output of goods and services increased 6.4 percent (annual rate).

### Economic Activity Slows In January

Industrial production barely increased in January, compared with an average monthly gain of about 0.6 percent in 1978. The slowing was widespread, and included a larger than expected decline in automobile assemblies. Inventories continued to increase moderately in December, but were still at low levels.

Housing starts declined nearly 20 percent in January to a seasonally adjusted annual rate of 1,650,000 units. This is about the same level as in the winter months of 1978.

Personal income posted the smallest increase in a year. However, the January increase was from a high base, reflecting large Government payments to grain farmers in December.

The only strong indicator in January was employment. Last year's fast pace of employment gains continued. The 5.8 percent unemployment rate has stayed about the same for the past 6 months, but is expected to rise this year.

The Producer Price Index for finished goods increased a seasonally adjusted 1.3 percent in January, while the Consumer Price Index rose 0.9 percent. The current forces exerting upward pressure on prices are quite powerful, but the inflation rate is expected to taper off as overall economic activity slows this year.

### Demand for Food Remains Strong

Consumer demand weakened in January as retail sales rose a slim 0.4 percent (seasonally adjusted) following 3 months of sizable increases. Sales of durable goods declined 2.4 percent, and sales of nondurables increased 1.0 percent.

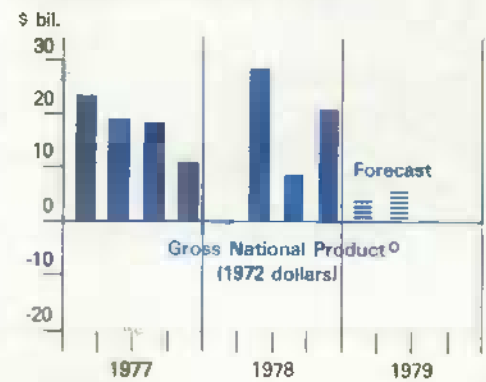
Food store sales remained relatively strong—increasing 1.6 percent over December and 13.1 percent over the same month last year.

Despite a projected slowdown in the growth of real per capita income, personal consumption expenditures for food in real dollars are expected to advance at an annual rate of 1½ percent during the first half of 1979.

Continued economic growth, rising incomes, and population growth in major world markets are further expanding world demand for food, feed stuffs, and raw materials. Demand for improved diets, along with relatively abundant feed supplies, is leading to increases in hog and poultry production in many countries.

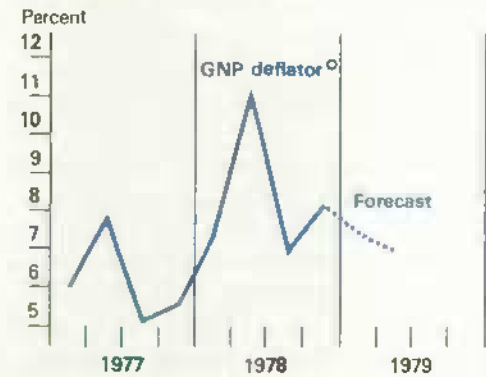
Stronger world markets are resulting in a continued large volume of world trade and particularly U.S. farm product exports, despite record world grain and oilseed crops. The depreciation of the dollar has also helped to encourage exports of some commodities to certain markets.

### 1979: Real Output to Slow . . .



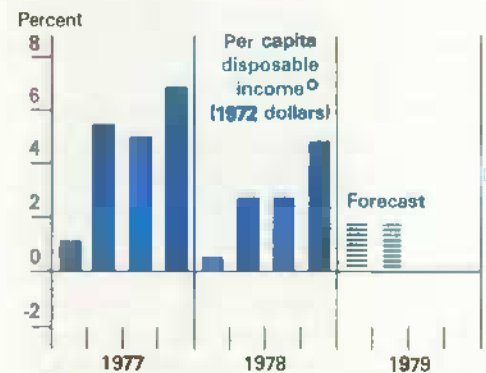
° Change from previous quarter. Seasonally adjusted annual rate.

### . . . Inflation to Moderate . . .



° Change from previous quarter. Seasonally adjusted annual rate.

### . . . Real Income to Weaken . . .



° Change from previous quarter. Seasonally adjusted annual rate.

### . . . and Unemployment to Rise Slightly



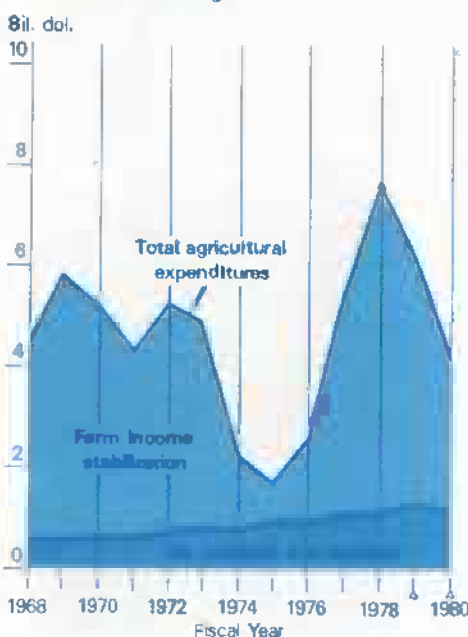
° Seasonally adjusted.

## Fiscal 1980 Budget Tight

The fiscal 1980 budget (Oct. 1979-Sept. 1980) is designed to reduce the rate of inflation by restraining Federal expenditures. The goal is to reduce the Federal deficit to \$29 billion from this year's estimated \$37.4 billion, while still permitting continued moderate growth.

The new budget assumes real GNP growth (on a calendar basis, year over year) of 2.5 percent in 1980, compared with an estimated 3.3 percent in 1979. The reduction in growth is expected to lower the increase in the Consumer Price Index to 6.7 percent in 1980, from 8.2 percent in 1979. At the same time, the unemployment rate is projected to rise no more than 6.2 percent in 1980.

**Farm Program Outlays  
Down from 1978 High**



▲ Estimated.

Outlays for farm income stabilization are projected at \$5.0 billion in fiscal 1979, down from 1978's peak of \$6.6 billion. If conditions warrant, a further decline of \$2 billion is scheduled for 1980. However, the level of expenditures under the price support programs can vary considerably depending primarily on weather and other natural market circumstances.

The 1980 budget assumes generally lower production of feed grains and improved markets for grains both at home and abroad, thus reducing the costs of commodity support programs. In addition, the short-term export credit program is estimated to be reduced as export markets strengthen and other means of financial assistance become available.

However, if these assumptions do not materialize and if 1979 crops are larger than expected, the Food and Agriculture Act may require larger outlays for price support operations than are currently budgeted.

Agricultural research and service functions including research, extension, economic intelligence, and animal and plant health—have been budgeted \$1.2 billion for 1980, down slightly from 1979 estimated levels.

Other 1980 budget items of importance to the food and fiber sector include: \$6.9 billion for the Food Stamp Program designed to help about 17 million needy individuals maintain an adequate diet; \$3.9 billion for school lunch and other nutrition programs; and \$1 billion for the Food for Peace Program which will provide around 6.7 million tons of food for the world's needy.

## World Economic Developments Spur U.S. Exports

The value of total merchandise exports, excluding military grants, increased 18 percent in 1978, following average increases of around 7 percent per annum over the preceding three years. Export value during the fourth quarter of 1978 was 33 percent over the same period in 1977.

U.S. merchandise exports in 1979 are expected to continue the rapid expansion begun last year. Faster economic growth in other industrialized countries, and continued improvement in the competitiveness of U.S. goods in world markets, will be major factors.

As the U.S. economy slows this year, growth rates abroad, particularly in Europe, are expected to exceed that of the United States. This will be a significant factor in helping to expand U.S. exports.

In addition to relative growth rates, U.S. exports depend upon price competitiveness in world markets. Price competitiveness varies with inflation rates here and abroad and the shifting value of the dollar in world markets. In 1978, the domestic inflation rate was higher than the average level for some key trading partners. But, the decline of the dollar more than compensated for this unfavorable development. Now, with the dollar relatively stable at a low level, and inflation rates here and abroad about the same, favorable price competitiveness is projected for 1979.

## MAJOR INDUSTRIAL NATIONS: ANNUAL CHANGE IN GROWTH RATES AND CONSUMER PRICES

Real gross national product	1975	1976	1977	1978
	(Percent)			
United States . . . .	-1.3	5.7	4.9	3.9
West Germany . . . .	-2.6	5.6	2.6	3.0
Japan . . . . .	2.4	6.0	5.2	5.8
Canada . . . . .	1.2	5.8	2.7	3.5
France . . . . .	-1	5.6	3.0	3.0
United Kingdom . . .	-1.6	2.6	1.6	3.0
Italy . . . . .	-3.5	5.6	1.7	2.0

Consumer prices				
United States . . . .	9.1	5.8	6.5	7.6
West Germany . . . .	6.0	4.5	3.9	2.8
Japan . . . . .	11.4	9.3	8.0	4.0
Canada . . . . .	10.8	7.5	8.0	8.0
France . . . . .	11.9	9.6	9.4	9.5
United Kingdom . . .	24.2	16.6	15.8	8.0
Italy . . . . .	17.0	16.8	17.0	12.0

Source: OECD for foreign countries.



## World Agriculture and Trade

Stronger-than-expected world markets are resulting in a continued large volume of U.S. farm product exports, despite record world grain and oilseed crops. The depreciation of the dollar has also helped to encourage exports of some commodities to certain markets. As a result, U.S. agricultural export prospects for fiscal 1979 have improved in recent months and volume and value forecasts have been raised. Export volume of major commodities may now about equal last year's record 122 million metric tons. The value of U.S. agricultural exports may increase by 11 percent to over \$30 billion in fiscal 1979, due mainly to higher prices for soybeans and products, wheat, feed grains, animal products, and fruits and vegetables.

U.S. agricultural imports in fiscal 1979 are likely to increase 6 percent to a record \$14.8 billion. Most of the value increase will stem from higher prices, especially for meat. Thus, the 1979 agricultural trade balance would reach a record \$15.5 billion compared with the \$13.4 billion in the previous year.

### Exports of Most Agricultural Commodities To Increase

October-December farm exports were up 34 percent in value over a year earlier, when a dock strike slowed shipments. The export volume of major commodities was up 16 percent. The sharpest volume increases were recorded for tobacco, wheat, and protein meal. Substantial gains were also achieved for soybeans, cotton, and rice.

Following a 30-percent volume gain in fiscal 1978, soybean exports are expected to increase a tenth this year. Small gains are also expected for feed grains, rice, and tobacco. These increases will likely be offset by slightly smaller shipments of wheat, cotton, and vegetable oils.

U.S. wheat exports in fiscal 1979 may drop by 2 million tons because record world production of 436 million tons has reduced demand and increased competition in major markets. Major developments that are affecting wheat exports are:

- U.S. exports to the European Community (EC) may drop 10-15 percent from the high level of fiscal 1978. Despite their record crop, the EC remains a deficit producer of high quality wheat.

- Because of the record 1978 Soviet wheat harvest, USSR imports of U.S. wheat will probably be only the minimum 3 million tons as required by the U.S.-USSR Grain Agreement.

- Chinese wheat imports of 9 million tons, including 3 million tons or more from the United States, partially to be used for upgrading diets.

- Despite increased competition from other exporters, U.S. exports to developing countries are still expected to continue near last year's high level of three-fifths of exports.

U.S. feed grain exports are now expected to top last year's record despite the sharp increase in world production and a buildup in world stocks. Exports during October-January were about 1 million tons above those of a year earlier. U.S. feed grain exports have been encouraged by:

- The opening of the Chinese market for 3.5 million tons of U.S. corn.

- Larger than anticipated exports to the European Community as the result of their continued expansion in hog and poultry production.

- U.S. exports of corn to the USSR well above the 3-million-ton minimum set in the grain agreement, reflecting expanding livestock and poultry industries, a decline in Soviet corn production, and an expected increase in Soviet wheat stocks.

- Continued increased expansion of livestock production in rapidly growing West and East Asian developing countries.

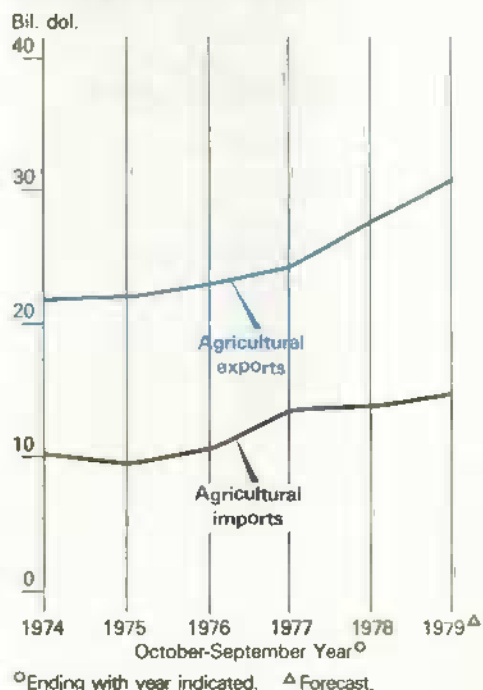
U.S. exports of oilseeds and products are expected to increase to a record \$8.7 billion in fiscal 1979. U.S. soybean exports are expected to increase 9 percent to a record of over 21 million tons. Some of the significant developments affecting U.S. trade are:

- A 5-percent increase in exports to the EC reflecting their livestock production expansion. This increase will follow a 28-percent gain in fiscal 1978. The expansion in the use of low-protein foods has slowed, and during 1979 the grain protein meal price ratio may be less favorable to meal.

- Expected exports to the Soviet Union of over 1 million tons because of their poor sunflower harvest.

- Further livestock production expansion in developing countries, which is creating a demand for more U.S. soybeans.

### U.S. Farm Exports May Rise Again in Fiscal 1979; Trade Balance to Widen



Exports of most other commodities are expected to show significant gains in 1978/79.

U.S. cotton exports are expected to remain very large as foreign production changed little during 1978 and foreign consumption is likely to show moderate gains in 1979.

Higher prices for most animal products are pushing export values to a record \$3.3 billion. Reduced foreign supplies have stimulated U.S. exports of cattle hides.

Although the export value of fruits and vegetables is expected to increase, U.S. exports of citrus and dried fruits are likely to fall because of reduced U.S. production and increased competition in the EC market from Mediterranean citrus producers.

### International Wheat Negotiations Fail

Negotiations on a new International Wheat Agreement were suspended indefinitely February 14.

The three stumbling blocks that resulted in the failure of the Wheat Conference were: stock shares and size, price ranges, and special provisions for developing countries.

The United States originally proposed a reserve size of 30 million metric tons but later dropped it to 25 million. However this still exceeded by several million metric tons the amount many of the countries were willing to support. The participants also disagreed on what share of the reserve each country should be responsible for stocking.

The price range problem was essentially a division between the developed and the developing countries. The developed countries wanted to accumulate stocks when the price fell to \$140 per metric ton and sell when the price reached \$210 per metric ton (\$200 the first year). The developing countries wanted a price range of \$125 to \$160 per metric ton.

The developing countries also wanted the developed countries to establish a special fund which the developing countries would use to finance (via interest free loans) the establishment and maintenance of their share of the reserve. The Developed Countries refused to establish such a fund.

According to the conference chairman, participants will continue to seek agreement and the next wheat conference will be held only after agreement has been reached. The International Wheat Council will meet in London on March 20 to decide whether the 1971 Wheat Agreement should be extended 1 or 2 years and whether the contribution requirements in the Food Aid Convention should be changed.

One alternative, now that the Wheat Conference has failed, is an agreement with other wheat exporting countries that would not specifically support prices, but would be a tacit understanding among exporters to avoid a subsidized price war.

It is not expected that the Multilateral Trade Negotiations will be affected by the collapse of the wheat negotiations. However, the Coarse Grains Trade Convention collapsed with the failure of the wheat negotiations.

### March Situation Report Schedule

Situation reports which will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Poultry & Egg	March 7
Fruit	March 9
Dairy	March 12
Livestock and Meat	March 13
Tobacco	March 15
Rice	March 28

Single copies of the above reports may be obtained by writing to: ESCS Publications, Room 0054 South Building, USDA, Washington, D.C. 20250.



## Agricultural Economy

Net farm income in 1979 is now expected to exceed that for 1978. While uncertainties with respect to weather and livestock production suggest a range in the forecasts from \$28 billion to \$33 billion, the most likely forecast at this time is a net farm income before inventory adjustments of about \$30 billion.

Revisions in forecasts of livestock prices are primarily responsible for the higher farm income forecasts. Livestock prices are expected to increase about a fifth over 1978 levels. Receipts to that subsector are now expected to be around \$68 billion; marketings will decline somewhat.

At the beginning of 1979, large crop inventories were recorded. Sales of a large portion of these holdings during the year is expected to contribute to crop marketings. This, coupled with an expected small increase in crop prices, results in a crop receipts forecast of \$55 billion.

Total farm marketing receipts during 1979 are thus forecast at \$123 billion.

Nonmoney income and Government payments are anticipated to be \$14 billion. The Government payment component is expected to be about \$2 billion. (For 1978, payments were \$3 billion.)

Gross farm income forecast at near \$137 billion is 10 percent higher than the 1978 value. Higher costs of purchased livestock will be an important factor in anticipated increases in production expenses of about 10 percent.

Total net income does not necessarily tell the full story on the financial well being of American farmers. The plight of individual farmers varies considerably with factors such as farm size, commodity mix, local weather, and distances from major markets.

Farm income is also not the only measure of farmers' economic welfare. Growth in asset values is quite important. Plus, many farm families earn substantial income off the farm.

The value of farm sector assets was a record \$798 billion at the beginning of 1979, up \$90 billion from the previous year. Most of the assets are in farmland.

But the impact of the rising farmland values is not always positive for established landowners, rising asset values helps them remain in agriculture during periods of depressed prices.

For operators who have recently purchased land, high land values make it difficult to service their debt during periods of low farm prices. And for those operators who do not own land, rising land values make it difficult to become landowners or to cover escalating rental costs.

## 1978 Farm Income Estimates Revised Slightly

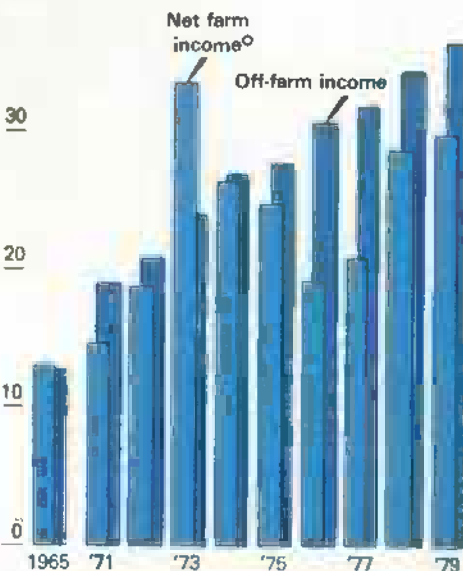
Last month's Agricultural Outlook contained the first estimates of 1978 farm income. Since that time, information contained in several statistical reports has become available. The new information was primarily associated with crops—affecting receipts, inventories and crop related expenses. On the basis of these new data, 1978 farm income estimates have been revised slightly. Further revisions are not anticipated until the middle of 1979. Farm production expenditure data become available then.

Grain inventories at the end of 1978 were larger than expected when farm income first estimates were published. This inventory increase contributed an additional \$.5 billion to 1978 net farm income after inventory adjustment.

The new information was primarily associated with crops—affecting receipts, inventories and crop related expenses. The following table summarizes the overall components as estimated in January and updated in February for 1978:

## Total Farm Operator Income Reaches New High

Bil. dol.  
40



<sup>o</sup> Including inventory adjustment. 1978 estimated, 1979 projected.

	1978 annual rate in—	
	January	February
	Billion dollars	
Cash marketing receipts:		
Livestock and products	58.0	58.0
Crops	52.0	52.2
Total marketings	110.0	110.2
Nonmoney, other cash income	11.1	11.1
Government payments	2.8	3.0
Gross farm income	123.9	124.3
Production expenses	95.8	96.1
Net before inventory adjustment	28.1	28.2
Value of inventory adjustment	.2	.6
Net after inventory adjustment	28.3	28.8
Deflated by CPI (1967=100)	14.5	14.7

Marketing information for December, grain stock as of January 1, and annual 1978 crop production reports resulted in a marginal change in cash marketing receipts and a \$0.6 billion increase in the value of crop inventory changes. The value of the decline in cattle and calf inventories was slightly greater than anticipated due to higher values per head. The combined value of the physical changes in farm commodities was \$0.4 billion larger than initially estimated. Direct Government payments in December were higher for both wheat and feed grains than had been expected. Production expenses were revised up due to new information on fertilizer and fuel.

## Fertilizer Prices Will Be Higher This Spring

January planting intentions have not significantly changed the fertilizer use outlook for the 1978/79 fertilizer year (July 1978-June 1979). Consumption of all primary plant nutrients is still expected to increase about 7 percent from a year earlier. Nitrogen and potash consumption will be up 6 percent, while phosphate use will increase 9 percent.

Average prices this spring, however, are now expected to be up 4 to 6 percent from last year. Supplies are expected to be adequate for the rest of the 1978/79 season.

Disruptions in natural gas and petrochemical production in Iran are contributing to tight world supplies and causing large price increases for sulphur—an essential ingredient in the production of phosphate fertilizers. Iran has cutoff natural gas exports to the Soviet Union, and the USSR has stopped natural gas exports to Poland, a major sulphur producer and exporter.

Insufficient natural gas supplies and severe winter weather have decreased Poland's sulfur production. As a result, Polish sulfur exports declined 66 percent in January.

Major customers of Poland have been forced to enter the international spot market for sulfur, driving prices up more than 20 percent in Western Europe and 7 percent in the U.S. Gulf. Average phosphate fertilizer prices will likely increase more than had been expected this spring.

In spite of idle domestic production capacity, the United States imported over 827,000 metric tons of ammonia during July-December 1978—nearly double year-earlier levels. Canada is the largest source of ammonia imports, with Mexico a close second. The pace of imports from Mexico has quickened since September.

Ammonia imports from the USSR have slowed since September, partly due to winter weather conditions.

At the same time, U.S. fertilizer producers have increased exports of certain fertilizers over last year's levels as follows:

Urea	up at least 77 percent
Diammonium phosphate	up over 50 percent
Concentrated super-phosphate	up 28 percent
Phosphoric acid	up 68 percent

The large increases in phosphate fertilizer exports are partly responsible for rising phosphate fertilizer prices.

## Commodity Highlights

Winter weather continues to disrupt marketings of crops and livestock and to slow livestock production. Earlier cold snaps cut prospects for winter vegetables and citrus crops. These weather-related developments along with a sharply smaller cattle herd and a labor dispute on the West Coast have raised farm commodity prices above anticipated levels. With strong consumer demand, estimates of livestock and poultry prices for the spring and summer have been raised. Price developments for the major field crops are about as expected and the outlook remains the same, except for soybeans where dry weather in South America is increasing world demand for U.S. soybeans and soybean products.

**Cattle Cycle:** Cattlemen have been reducing the size of their herds now for 4 years. The Nation's cattle herd declined about 5½ million head during 1978, reaching 111 million head at the beginning of this year. A squeeze on profits and weather problems several years ago prompted the selloff. Higher cattle prices in recent months have encouraged cattlemen to take steps to increase the beef herd, but an upswing in the cattle inventory is not likely to begin until 1980. Beef production will decline 5 to 7 percent in 1979 and about half this much in 1980. Beef output likely will then rise for several years.

**Cattle Prices:** Cold weather and snow disrupted winter marketings in the Midwest, but fed cattle marketings during January were still up 8 percent. Choice steer prices

have risen from about \$54 per cwt. last fall to about \$65 in recent weeks due to strong demand and smaller nonfed beef supplies. Some price weakness may develop in late winter or early spring as the weather improves. Renewed price strength is in prospect toward summer as beef production remains well below 1978.

**Hogs:** Severe winter weather is taking a toll of baby pigs, but the experience of the past 2 winters has helped farmers save more pigs. As a result, pork production this summer likely will not be affected as much by the recent cold and snow as in the past 2 years. Pork output this Spring likely will be up 8 to 10 percent. Sharper increases in pork production—perhaps 10 to 15 percent above last summer's—are in prospect during the seasonally light summer months.

## KEY STATISTICAL INDICATORS OF THE FOOD AND FIBER SECTOR

	1976	1977	1978					1979		
	Annual	Annual	I	II	III	IV <sup>1</sup>	Annual	I	II	Annual <sup>2</sup>
								Forecast		Range
Prices received by farmers (1967=100) .....	186	183	193	214	214	219	210 <sup>3</sup>	233	233	225-245
Livestock and products (1967=100) .....	177	175	195	215	220	232	216	251	252	240-270
Crops (1967=100) .....	197	192	192	212	207	203	203	212	212	175-215
Prices paid by farmers, all items (1967=100) .....	191	202	211	218	221	225	219	234	237	233-240
Production items (1967=100) <sup>4</sup> .....	198	208	218	226	228	232	226	243	245	240-248
Farm production (1967=100) .....	117	121	—	—	—	—	122	—	—	—
Livestock and products (1967=100) .....	105	106	—	—	—	—	108	—	—	—
Crops (1967=100) .....	121	129	—	—	—	—	131	—	—	—
<b>Farm income<sup>5</sup></b>										
Cash receipts (\$ bil.) .....	94.5	96.1	104.6	109.3	109.0	117.7	110.2	124	121	118-128
Livestock (\$ bil.) .....	46.2	47.6	52.7	57.4	57.7	64.0	58.0	68	66	65-70
Crops (\$ bil.) .....	48.3	48.5	51.9	51.9	51.3	53.7	52.2	55	55	53-58
Gross farm income (\$ bil.) .....	104.1	108.1	118.3	123.0	122.6	133.2	124.3	137	136	132-142
Production expenses (\$ bil.) .....	83.0	88.0	92.5	95.0	95.5	101.5	96.1	104	105	104-109
Net income before inventory adjustment (\$ bil.) .....	21.1	20.1	25.8	28.0	27.4	31.7	28.2	33	31	28-33
Net income after inventory adjustment (\$ bil.) <sup>6</sup> .....	18.8	20.6	26.3	28.0	27.6	33.2	28.8	32	30	28-33
<b>Market basket:<sup>7</sup></b>										
Retail cost (1967=100) .....	175.4	179.2	188.1	199.1	204.2	206.2	199.4	215	217	213-221
Farm value (1967=100) .....	177.8	178.1	191.2	211.1	213.2	213.8	207.4	230	228	222-234
Spread (1967=100) .....	174.0	180.0	186.1	191.8	198.7	201.6	194.5	206	211	208-213
Farm value/retail cost (%) .....	38	38	38	40	39	39	39	40	40	39-40
<b>Retail prices:</b>										
Food (1967=100) .....	180.8	192.2	201.8	210.5	215.3	218.0	211.4	225	228	224-233
At home (1967=100) .....	179.5	190.2	199.9	210.0	214.4	216.5	210.2	224	227	223-231
Away-from-home (1967=100) .....	186.1	200.3	210.3	215.9	221.8	226.0	218.4	231	234	234-240
<b>Per capita food use (1967=100)</b>										
Animal-products (1967=100) <sup>8</sup> .....	105.3	104.4	—	—	—	—	104.2	—	—	104-105
Crop-products (1967=100) <sup>9</sup> .....	103.5	103.3	101.0	100.3	100.9	104.4	102.2	100.6	100.7	101-103
Crop-products (1967=100) .....	107.2	105.7	—	—	—	—	106.5	—	—	106-108
<b>Agricultural exports (\$ bil.)<sup>10</sup></b> .....	22.8	24.0	6.1	6.5	7.9	6.8	27.3	8.2	7.6	27-33
<b>Agricultural imports (\$ bil.)<sup>11</sup></b> .....	10.5	13.4	3.0	3.9	3.4	3.6	13.9	3.9	3.8	14-16

<sup>1</sup> Preliminary. <sup>2</sup> The chances are 2 out of 3 that the final outcome will fall within this range. <sup>3</sup> Including interest, wages, and taxes. <sup>4</sup> Quarterly data are seasonally adjusted at annual rates; 1978 data are preliminary estimates. <sup>5</sup> Includes net change in farm inventories. <sup>6</sup> Quarterly data are given at annual rates. 1978 revised to conform with the new Consumer Price Index-All urban. <sup>7</sup> Quarterly data exclude fish products. <sup>8</sup> Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarters indicated refer to fiscal year quarters, not calendar years, i.e. IV 1977 means July-Sept. 1977, I 1978 means Oct.-Dec. 1977, etc.

**Broilers:** Output during the winter and spring will be 8 to 10 percent larger than a year earlier. Despite expanding production, wholesale broiler prices will likely average around 4 to 6 cents a pound higher this winter than last. Prices will continue strong in the spring—averaging about the same as a year earlier.

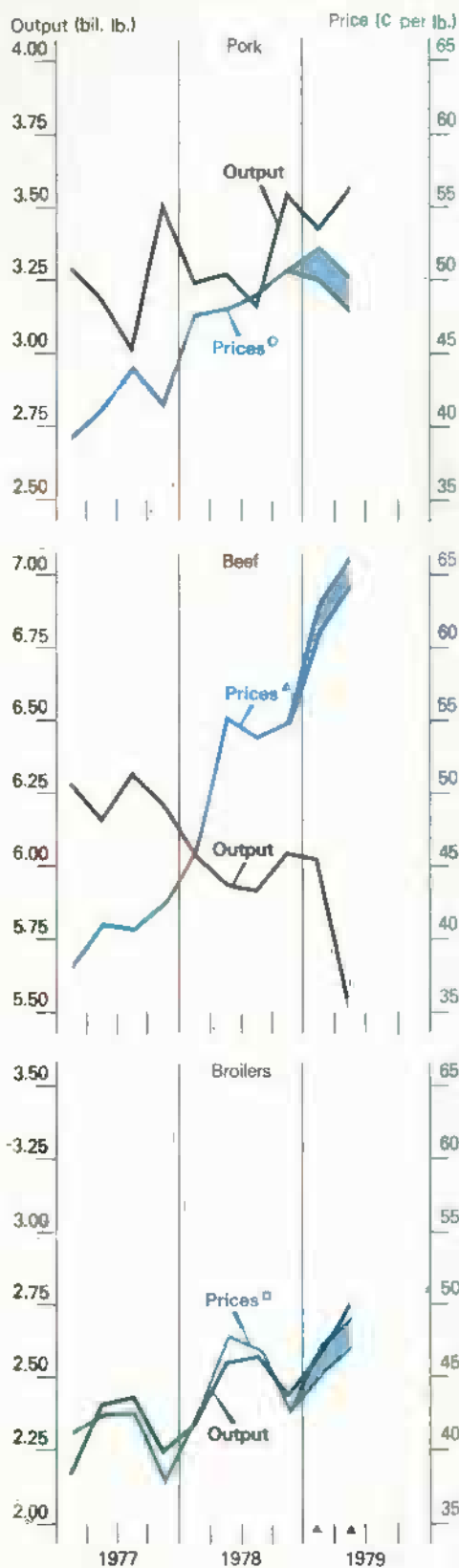
**Turkeys:** First half production is expected to be 20 to 25 percent above 1978's 628 million pounds. Production is seasonally light in the first half, accounting for a third or less of annual production in recent years. Turkey prices have dropped substantially from highs last December, but are still well above a year ago. Further declines are likely in coming months and prices may drop below year-earlier levels because of larger turkey supplies and increasing pork and broiler production.

**Milk:** Farm prices have held strong this winter even though supplies are increasing. Prices of block cheese, American cheese, and nonfat dry milk have held close to the autumn peaks, while butter and barrel cheese prices have declined. Farm milk prices during the spring will likely be close to the support price which will become effective April 1.

**Fruit:** With higher grower prices and increased marketing costs, retail fruit prices during the first half of 1979 are expected to average considerably higher than a year ago. Moderately to sharply higher grower prices were reported for all fruits in January. Although cold storage stocks of apples and pears in early January were considerably larger than a year ago, prices are not likely to decline. Relatively good demand and smaller supplies of citrus have pushed up prices for all fruits. Thus, grower prices this spring are expected to remain substantially above year-earlier levels.

**Wheat:** Prices at the farm level have surpassed \$3.00 per bushel, but some weakening is likely in the next several months. Farm prices likely will average \$2.90 to \$3.00 per bushel in 1978/79, compared with \$2.33 last year. Exports slackened this winter, but the total for the marketing year is expected to be near the high 1977/78 level. With 8 percent larger plantings of winter wheat and some increase likely in spring wheat seedings, prospects are for a larger crop than last year's 1.8 billion bushels.

#### More Broilers and Pork, Less Beef in 1979



○Barrows and gilts, 7 markets. ▲Forecast.  
 ▲Choice steers, Omaha. □9-city wholesale.

**Rice:** The pace of rice exports since August is currently on a par with a year ago, but year-end totals are not expected to match last year's record 73 million cwt. Exports are expected to total about 67 million cwt. in 1978/79, reflecting large crops in most rice growing areas. Continued growth in parboiled and quality milled white rice sales is contributing to the export strength. Prices in the first half of the marketing year have generally been above earlier expectations, reflecting the rapid rate of export movement.

**Feed Grains:** The 1978/79 feed grain supply is the largest ever, but more livestock and poultry feeding, a strong export market, and considerable quantities of grain under Government loan and in the farmer-owned reserve are strengthening prices. The farm price for corn was \$2.10 per bushel in mid-January, compared with \$1.97 in October and \$2.00 in January last year. Some seasonal rise in corn and sorghum prices is likely this spring and summer, but little change in barley prices is likely. Oat prices are expected to continue strong in relation to corn prices.

**Soybeans:** Much needed rain was received in mid-February in the soybean growing areas of South America, but the crop had already been damaged. The latest USDA estimate of the Brazilian soybean crop is 10½ to 11½ million tons—substantially short of the earlier expectation of 13 to 14 million tons. With poorer prospects in the Southern hemisphere, estimates of U.S. soybean exports have been raised and the likely carryover level next September has been lowered to 150 million bushels. These developments will maintain a robust soybean market, at least until much more is known about prospects for the 1979 soybean crop in this country.

**Cotton:** This season's higher prices could lead to increased cotton acreage and production in 1979 both here and abroad. U.S. producers indicated plans to seed about 14 million acres to upland cotton this spring, 6 percent above 1978 plantings. If cotton growers carry out their early plans, U.S. production would increase sharply, barring a repeat of last year's unfavorable weather. Also, a return to more normal yields in major cotton producing nations such as the USSR and China, coupled with only slight increases in acreages elsewhere, would increase foreign cotton production.



## Food and Marketing

The outlook for retail food prices still is for the 1979 increase to be within a range of 6 to 10 percent above 1978, despite the sharp price hikes indicated by the January CPI.

The current USDA assessment indicates a retail food price increase of about 8½ percent seems most likely. The increase is expected to be lower than last year's 10-percent rise because of anticipated slower growth in the economy, record world grain supplies, and large prospective supplies of pork and poultry.

The forecast increase for this year is more in line with the expected rate of inflation in the rest of the economy than it was in 1978. However, food will still be a net contributor to inflation primarily in the first half of 1979. Food prices will still rise slightly more than nonfood prices this year. Last year food prices rose almost 3 percent more than nonfood prices.

Red meat prices are expected to increase about 13 percent this year. The major increase (about 19 percent), will be for beef and veal, reflecting an expected 6-percent production decline this year. Prices will increase more for hamburger than for choice beef cuts because production will be down for most for nonfed animals.

Pork prices are expected to be lower than current levels in the remainder of the year as the impact of an expected 10-percent production increase is seen in the hog markets. However, consumers may shift from beef and veal to pork, and this added demand should hold annual average retail pork prices about 4 percent higher than in 1978.

Greater demand for poultry products, too, will offset an expected production increase of about 8 percent. Average retail poultry prices for the year should be about 5-8 percent higher than in 1978.

Egg production will increase about 2 percent but inflation and high prices of other protein foods will force prices up by a small amount.

Commercial building of dairy product stocks is expected to absorb anticipated production increases, and retail prices are likely to climb 7 to 10 percent.

Fruit and vegetable prices are expected to increase about 9 percent. Over half of this increase is due to the price increases expected for processed fruits and vegetables where marketing costs play a large role.

Fresh fruit prices are expected to be about 8-9 percent higher, partially reflecting freeze damage to citrus crops.

While freeze damage to fresh vegetables has been minimal, rains and strikes in California have disrupted lettuce harvesting, putting upward pressure on early-year fresh vegetable prices. However, winter acreage of fresh vegetables is up 8 percent over 1978, so prices should soften as the year progresses.

### Marketing Margins To Rise With Inflation Rate

Marketing margins are expected to increase as much this year as they did last year, when they rose an average of 8 percent. Gross marketing margins, as measured by the farm-to-retail price spread for a market basket of food, did not increase as much as marketing costs in 1977 and early 1978. However, margins caught up with the rise in marketing costs in mid-1978. After remaining relatively stable through April, the spread rose sharply at midyear, increasing 4 percent from April to June. This brought changes in farm-to-retail price spreads during the last 2 years back into line with changes in indicators of food marketing costs.

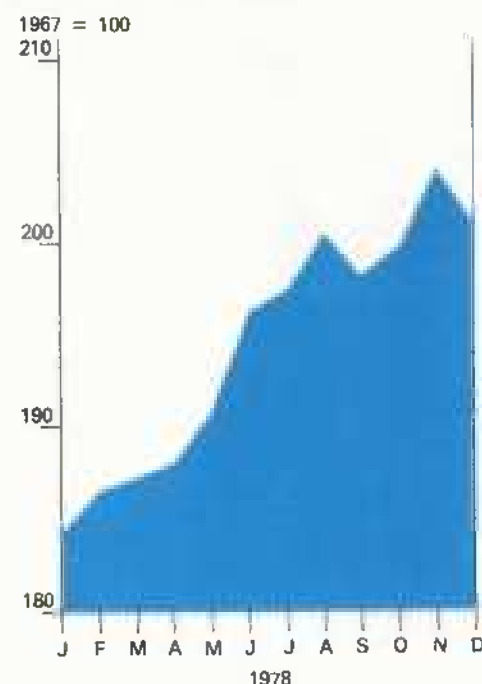
Margins should increase at about the same rate as inflation in 1979, although much depends on the results of labor contract

negotiations and the effectiveness of the anti-inflation program in holding down increases in labor costs, packaging, transportation and other costs.

Labor is the largest component of food marketing costs, representing half of processing and retailing costs, and 40 percent of wholesaling costs in 1978. Labor productivity in the food industry has not been increasing in recent years. For these reasons, wage settlements for workers in food manufacturing, wholesaling, and retailing industries will have a large impact on marketing margins and the rate of increase in food prices.

Although only 20 percent of food industry employees are union members, collective bargaining settlements generally influence wages and benefits throughout the industry. Sixty-six percent of unionized food manufacturing workers and 40 percent of unionized retail food workers will renegotiate contracts during 1979.

**Farm - Retail Price Spread Increased Sharply in Mid-1978**



## Food Consumption Per Person Holds Nearly Constant

Per capita food consumption declined very slightly—0.2 percent—in 1978. Per capita consumption of crop products increased 0.8 percent while animal products declined 1.1 percent—primarily due to a 5-percent drop for beef and veal.

Pork consumption held steady despite a small increase in production. But poultry production increased enough to boost per capita consumption 5 percent.

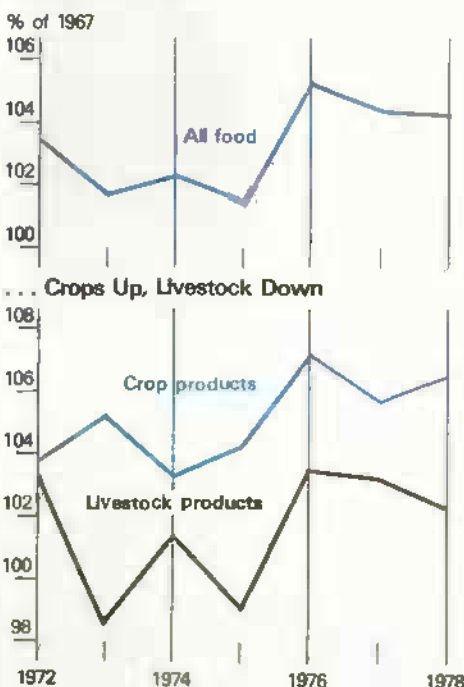
Increases in per capita consumption of cereal products, potatoes, and other vegetables led the gains for crop foods. Coffee drinking also gained, as prices fell through the year, but it's still 25 percent below 1976. Fruit consumption fell about 2 percent last year while sugar and sweetener use remained about the same.

Forecasts for 1979 indicate about the same per capita food consumption as last year. But another small shift from animal to crop products is expected.

Beef and veal consumption will decline. Consumption of poultry and pork will increase, but not enough to maintain the per capita consumption index for meat, poultry, and fish at 1978 levels.

A small increase is expected for most crop foods except sugar and sweeteners.

Per Capita Food Use Steady in 1978...



## Spotlight on Coffee and Tea

Coffee consumption in calendar 1979 is expected to hold near the 7.3 pounds per person consumed in 1978. More abundant world coffee supplies this year imply prices will continue to ease. However, in the foreseeable future it is likely that they will stay higher than before the July 1975 Brazilian freeze.

The current outlook is for coffee prices to average between \$2.50 and \$2.75 per pound early this year, and then bottom out in late 1979 or early 1980 between \$1.60 and \$2.25 per pound.

Coffee prices will continue to reflect information about the harvest of the upcoming 1979/80 world crop, as well as any indication that the International Coffee Organization may increase the export quota trigger price.

Tea consumption is expected to vary directly with coffee prices. Last year per capita consumption declined to 0.7 pounds, down from 0.9 pounds in 1977. Declining coffee prices were largely responsible for causing the switch away from tea back to coffee. Retail tea prices are expected to increase about 5 percent this year, which will encourage a continuation of this demand shift.

## January Food Prices Up Sharply

The Consumer Price Index (CPI-U) for all food unadjusted for seasonal variation increased 2.1 percent in January. This reflects a 2.4-percent rise for food at home a 1.2-percent rise for food away from home. After adjustment for normal seasonal fluctuations, the increase in the all food index was 1.4 percent.

Almost all major foods showed significant increases, with prices for beef, veal, and fresh vegetables, especially lettuce, up the most. This was in part due to weather-induced marketing problems. Together, meats and vegetables accounted for almost three-fifths of the price increase for food at home. Coffee prices declined for the sixteenth consecutive month.

The farm value of the market basket (domestically produced farm foods) rose 5.4 percent in January and accounted for 75 percent of the rise in grocery store prices. The farm-to-retail price spread increased 1.0 percent and accounted for 22 percent of the January increase. Fish and imported foods, up 1.0 percent, accounted for the remaining 3 percent.

## Spotlight on Hamburger

Because more hamburger (including ground beef) is consumed than any other type of meat, it is noteworthy when its price nearly doubles in 2 years. In fact, an estimated 27 percent of consumers' expenditures for beef products is for hamburger.

Retail prices of hamburger, already at record highs, are likely to continue climbing in 1979 since prices for nonfed cattle are predicted to increase through the remainder of the year. Also, estimated marketing margins for hamburger from utility cows are the lowest percentage of retail cost since 1973. Processors, wholesalers, and retailers may attempt to restore previous margins which would also act to push up prices.

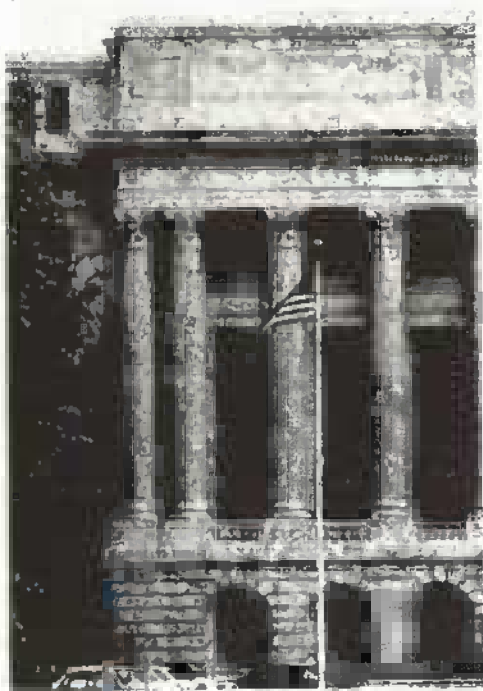
Boneless cow meat is one of the major sources of meat for use in hamburger—and the recent decline in cow and other nonfed beef slaughter is a major reason for the price increase. However, a variety of fat and lean cuts can be used, providing the end product is at least 70 percent lean.

## MARKETING MARGINS FOR HAMBURGER

	1975	1976	1977	1978	1979 <sup>1</sup>
Cents per pound					
Gross farm value <sup>2</sup> .....	54	65	65	95	128
Value of byproducts .....	10	10	12	15	18
Net farm value .....	44	55	53	80	110
Retail hamburger price .....	85	83	81	118	155
Farm-to-retail price spread ..	41	28	28	38	45
Percent					
Marketing margin .....	48	34	35	32	29

<sup>1</sup> Estimates for week ending February 9.

<sup>2</sup> Assumed to be 2.58 times the price of utility cows at Omaha.



## Policy

Several important issues being debated by policymakers concern the extent to which the Government should support prices and income, the extent of risk the Government might assume for disasters, and the attitude toward trade, particularly imports. The policy agenda for the first session of the 96th Congress includes both old and new items. Items likely to reappear on the agenda include meat imports and sugar legislation, consideration of price and income support measures for major grains and milk, comprehensive disaster assistance, and international agreements.

The 95th Congress devoted most of its first session to developing and passing the Food and Agriculture Act of 1977. The legislative agenda for the second session included emergency price and income support legislation, agricultural credit, agricultural exports, foreign investment in U.S. agriculture, meat imports, and sugar price stabilization.

### Price and Income Supports Discussed

For the third consecutive year, the agriculture committees of the Congress will consider price and income support legislation for grains, cotton, and milk. In 1978, attempts to revise the 1977 Food and Agriculture Act, which had become law 6 months earlier, focused largely on the demands of the American Agricultural Movement for 100 percent of parity. The 1978 debate resulted in emergency legislation which authorized the Secretary of Agriculture to increase target prices whenever a set-aside is proclaimed.

The major proposals to raise price supports this year call for revision of existing statutes rather than the writing of new legislation.

A number of bills have been introduced which provide for support levels at either 90 or 100 percent of parity for wheat, feed grains, cotton, or milk. Joint Resolutions have been introduced in both the House and Senate which would provide minimum price support for milk, wheat, corn, soybeans and cotton at 90 percent of parity.

An omnibus bill to improve farm income through a program of variable target prices has been introduced in the Senate. Producers could select from a schedule of target prices which would vary inversely with set-aside levels. Target prices would range from 100 percent of parity to the level prescribed in the 1977 Act. The maximum level of set-aside would be tied to full parity.

### New Congress Reorganizes

Both the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry reorganized when the 96th Congress convened on January 15, 1979. The Senate Committee maintained its membership at 18 but realigned from 11 Democrats and 7 Republicans to 10 and 8, respectively, reflecting the new membership makeup of the Senate. Senator Herman Talmadge remains Chairman of the Committee. Senator Jesse Helms (R. N. Car.) replaced Senator Robert Dole (R. Kan.) as the ranking minority member.

The House Committee on Agriculture reduced its membership from 46 in the 95th Congress to 42, including 27 Democrats and 15 Republicans. Of these, seven are first term members of Congress. Congressman Thomas Foley remains chairman of the committee. Representative Kika de la Garza (D. Tex.) succeeded Congressman W. R. Poage as Vice Chairman of the Committee.

### Sugar Policy Recommendations

The Administration has proposed a domestic sugar market price objective for 1979 of 15.8 cents per pound and has recommended a sugar program consistent with the proposed International Sugar Agreement. They will also accept a measure that authorizes payments of up to one-half cent per pound. Import levels would be stabilized within the range of recent historic levels—4.8 to 5.2 million tons. The support price is also tied into a minimum wage rate for sugar workers. The recommendations call for the Secretary of Agriculture to set the total support level based on the cost of production and other supply and demand factors for all sweeteners.

### Wheat, Feed Grain Sign Up Begins

Signup for the 1979 wheat and feed grain program began February 15.

Provisions of the corn and sorghum set-aside program include a 10 percent set-aside and a 10 percent diversion. The wheat and barley program contains a 20 percent set-aside requirement.

Participation in the program is voluntary. However, producers must file their intentions to participate during the signup period to be eligible for program benefits. All farmers planting feed grain or wheat for harvest in 1979 are eligible to participate.

Program participants will be eligible for price support loans, deficiency and disaster payments for barley, corn, sorghum, or wheat on the participating farm and on other normal crop acreage (NCA) grown on the farm. They also will be eligible to use the grain reserve.

Farmers may also sign up for voluntary diversion payments on corn and sorghum. However, there will be no advance voluntary diversion payment for 1979 crops.

Producers who sign up agree to take out of production 1 acre for every 10 planted in 1979 to corn and sorghum, 2 acres for every 10 planted to wheat and barley for grain and reduce the acreage of NCA crops by this set-aside amount.



## Soviet Emphasis on Livestock Offers Grain Export Opportunities for United States

*Michael D. Zahn*  
Foreign Demand and Competition Division

Soviet agriculture made broad advances in 1978, especially in grain and livestock production, and the plan goals for 1980 and 1985 indicate a continued strong desire to boost livestock product consumption.

Vast amounts of grain for feed will be necessary to achieve the 1985 meat production goal of 19.5 million tons, with virtually all of the increases in Soviet grain production being used for livestock feeding.

The most striking feature of Soviet agriculture in the past few years has been the high variability of grain production. Grain output in 1978 was about two-thirds larger than in 1975.

This high variability will remain as the Soviets continue to push grain production to its limits. Therefore, the USSR will have to rely on large quantities of imported grain during poor grain production years since the commitment to increasing consumption of livestock products should prevent the Soviets from returning to the traditional pattern of massive herd liquidation during lean grain production years.

These changes in Soviet agricultural policy and performance in the seventies portend a continued, yet highly variable grain export market for the United States.

### 1978 Was a Good Year For Agriculture

Despite some problems with agricultural outputs and inputs, 1978 was a very good year for agriculture in the USSR. The value of gross agricultural output was 130 billion rubles—4 percent above 1977 but still 2 billion rubles below plan.

A record 235 million tons of grain<sup>1</sup> was produced in 1978, 5 percent more than the previous record in 1976. Wheat production was indicated to be 120.8 million tons, rye—13.6 million tons, corn—9.0 million tons, and paddy rice—2.1 million tons.

The average 1978 grain yield was reported as 1.83 tons per hectare, implying a 1978 final grain area of 128.4 million hectares, down nearly 2 million hectares from 1977. Almost all crop regions had above-average soil moisture supplies during the growing season.

<sup>1</sup> The Soviet definition of grain includes wheat, coarse grains, pulses, paddy rice, buckwheat, and miscellaneous grains.

Grain harvesting weather in the Asiatic parts of the USSR was generally very good and harvest losses were below normal. On the other hand, the European areas experienced well above average rainfall during harvest, resulting in higher than average dockage-waste losses. Moreover, the quality of the grain crop ranks with the 1973 crop as about the lowest of any harvested since 1971. The low-quality grain was primarily harvested in European USSR.

Last year's grain crop was about 5 million tons greater than estimated utilization for 1978/79. Feed use of grain (125 million tons) will account for 55 percent of 1978/79 utilization; food, industrial, and seed uses for 33 percent; and dockage-waste the remainder.

Late harvesting and wet fall weather slowed fieldwork and reduced winter crop plantings. The area sown to all winter crops in the fall of 1978 was 37.3 million hectares, nearly 10 percent less than the 41.1 million hectares planned. Fall plowing was also short of plan by 6.2 million hectares, reaching only 110 million hectares.

The 1979 grain production goal has been set at 226.8 million tons, about halfway between the 1978 plan of 220 million tons and a 1980 plan of 220 million tons and a 1980 plan of 235 million tons.

Production of crops other than grain did not fare as well.

Cotton production in 1978 was only 8.5 million tons, down from 8.76 million tons in 1977, owing to a very poor spring sowing conditions and early frosts.

Sugarbeet production last year rose slightly above 1977 levels to 93.8 million tons and the sugar content apparently was somewhat higher than in 1977. Industrial sugar production in calendar year 1978 was up 1.4 percent over 1977, reaching a record 12,206,000 tons.

Production of potatoes, still a major staple in the Soviet diet, increased slightly to 85.9 million tons.

The very late harvest and cold wet growing season reduced Soviet sunflower production to 5.31 million tons, 10 percent below

1977 output. The smaller sunflowerseed crop coupled with a lower cotton crop spurred the Soviets to enter international markets at the end of December and in January (before final oilseed production figures were made public) to secure commitments on fats, oils, and oilseed shipments to make up the shortfall in their own production. Vegetable oil production from state resources in 1978 totaled 2,766,000 tons, up only 9,000 tons from a year earlier.

### Livestock Production Continues Expansion

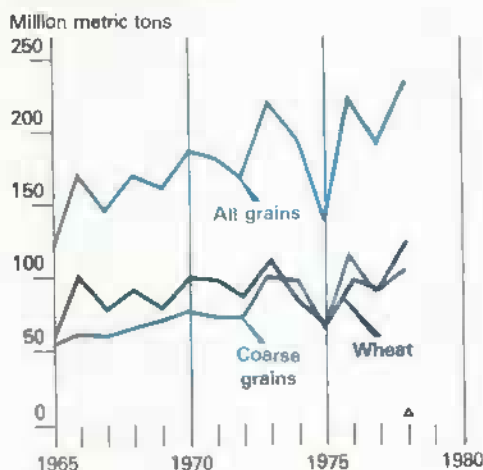
Both livestock inventories and production increased in 1978. Total cattle numbers on January 1, 1979 were up 2 percent over last year to a record 114.4 million. Hog numbers were up 6 percent last year, reaching a record 74.7 million. Poultry numbers on January 1 were estimated at 940 million—up 7 percent from last year.

Total grain-consuming animal units in the USSR on January 1, 1979 were estimated to be 148 million units, an increase of 3 percent from last year and a new record.

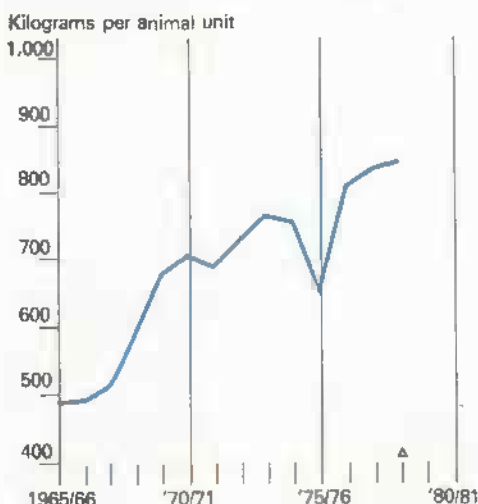
Grain consumption per animal unit has recovered dramatically since it fell off with the disastrous grain crop of 1975. Consumption in 1978/79 will reach a record 846 kilograms per unit, 29 percent more than the recent low in 1975/76.

Meat output in 1978 was up 3 percent, 400,000 tons below plan but still a record 15.2 million tons. Milk production, which totaled 94.5 million tons, was short of plan and below last year's record output. Egg production, on the other hand, was above plan and reached a record 64.4 billion eggs.

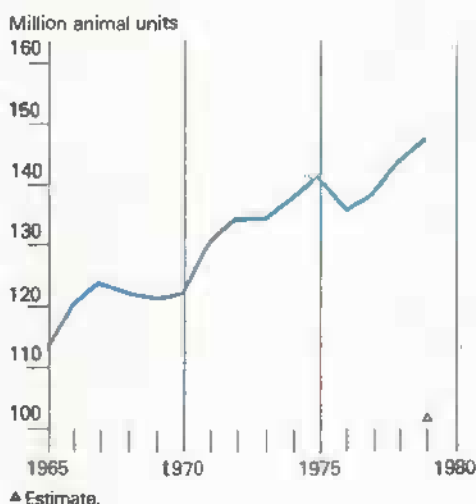
### USSR Grain Production Sets New Record . . .



### . . . As Grain Consumption Rises . . .



### . . . And Farm Animals Reach New Peak



### Investment in Agriculture Remains High

Agricultural investments were 4.5 percent greater in 1978 than in 1977. Most machinery delivery plans to agriculture were met, but mineral fertilizer deliveries were disappointing. Deliveries of fertilizer increased by only 2 million tons over 1977 but were 1.2 million tons below plan. Even though total deliveries were a record 79 million tons, they were far short of the 115-million-ton plan for 1980. To complicate the problem, Soviet mineral fertilizer production declined for the first time on record during the second half of 1978.

General Secretary Leonid Brezhnev stated in a speech last July that the agricultural share of total investment must not be reduced. Based on 1978, this implies that 27 percent of all future capital investment should be made in agriculture.

Large increases in government procurement prices for selected agricultural products became effective January 1, 1979. On average, milk prices are up 15.3 percent, wool up 18 percent, potatoes up 32.1 percent, and vegetables up 13 percent.

These price increases will cost the government an additional 3.2 billion rubles in subsidies as there will be no commensurate retail price increase. Milk alone will account for nearly 70 percent of the subsidy increase.

The price increases, including the additional subsidies, were necessary to reverse the declining profitability of production in these sectors.

With these price increases, the annual subsidy to the livestock sector should be around 25 billion rubles.



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### New report listings, by subject matter

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Third Estimate of World Coffee Production Largely Unchanged. FCOF 1-79 (FAS).

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U.S. Cotton Exports Expand in November. FC 2-79 (FAS).

#### Dried Pulses

U.S. Dry Bean Exports in 1977/78 Second Highest on Record. FDP 1-79 (FAS).

#### Farm Management

State Regulation of Corporate Farming. AER 419 (ESCS).

#### Food

Household Food Consumption Patterns in the United States. TB 1587 (ESCS).

#### Grains

East European Grain Production and Trade Outlook for 1978/79. FG 1-79 (FAS).

World Grain Situation and Outlook for 1978/79. FG 3-79 (FAS).

World Soybean Production and Trade to Set New Records in 1978/79. FOP 2-79 (FAS).

#### Livestock and Meat

U.S. Exports and Imports of Livestock and Products up for November 1978. FLM MT 1-79

First Quarterly Outlook for World Meat Production and Trade in 1979. FLM 1-79 (FAS).

U.S. Customs Service Data on Meat Imports December 1979. FLM MT 2-79 (FAS).

#### Miscellaneous

Growth Patterns in Nonmetro-Metro Manufacturing Employment. RDRR 7 (ESCS). Policy Research Notes. Number 6 (ESCS).

#### Oilseeds and Products

U.S. Oilseed Export Earnings Top \$1 Billion Mark in November. FOP 3-79 (FAS).

#### Tobacco

Net U.S. Tobacco Trade Reaches \$243 Million in November. FT 1-79 (FAS). World Tobacco Production Up 2.6 Percent; Stock Increase Expected in 1978. FT 2-79 (FAS).

#### Vegetables

U.S. Seed Exports, Quantity, Value, and Destination, July - December and December, 1977/78 and 1978/79 Marketing Years. FFVS 1-79 (FAS).

#### State Reports

Virginia Agricultural Statistics. Virginia Crop Reporting Service, P.O. Box 1659, Richmond, Virginia 23213.

### 1978 Yearbook is a Guide to Country Living

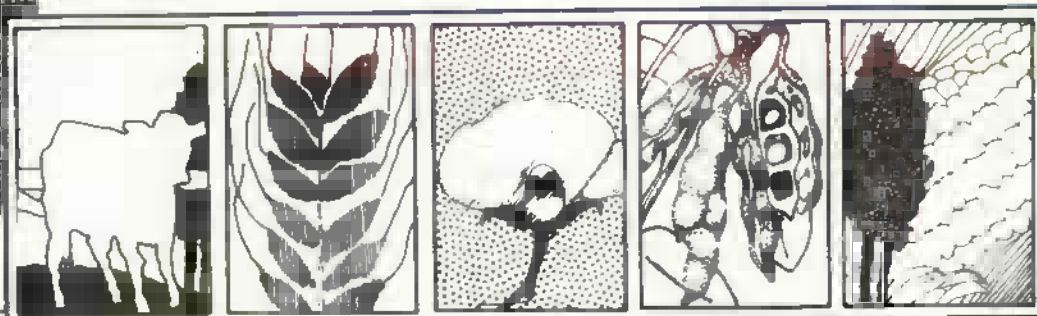
"Living on a Few Acres," the 1978 Yearbook of Agriculture published recently, describes both the pitfalls and satisfactions of living in the country. The book is aimed mainly at those persons who do not intend to gain their principal income from the land, but rather have a job in town or some other source of income.

The yearbook's 48 chapters cover many aspects of part-time farming, including production for family use or supplemental income. The book's five sections include information on pluses and minuses, acquiring the right spot, improvements, how to make the most of the land, and selling the property. There are specific articles on raising vegetables, grapes, berries, ornamental plants, herbs, nuts, poultry, pigs, goats, rabbits, Christmas trees, and earthworms.

Copies of the 472-page yearbook may be purchased for \$7 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Ask for stock number 001-000-03809-5. Members of Congress have limited copies of the 1978 yearbook for free distribution to constituents. USDA has no copies for distribution or sale.



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## Farm Income

### Gross and net farm income<sup>1</sup>

	Annual			1976			1977				1978			
	1976	1977	1978p	II	III	IV	I	II	III	IV	I	II	III	IVp
	\$ Bil.													
Cash receipts from farm marketings . . .	94.5	96.1	110.2	98.9	93.2	92.6	97.6	95.7	91.3	99.6	104.6	109.3	109.0	117.7
Livestock and products . . . . .	46.2	47.6	58.0	47.9	45.2	45.1	46.3	46.6	47.8	49.5	52.7	57.4	57.7	64.0
Crops . . . . .	48.3	48.5	52.2	51.0	48.0	47.5	51.3	49.1	43.5	50.1	51.9	51.9	51.3	53.7
Nonmoney and other farm income <sup>2</sup> . . .	9.6	12.0	14.1	9.5	9.6	10.0	10.5	11.1	11.4	15.2	13.7	13.7	13.6	15.5
Gross farm income . . . . .	104.1	108.1	124.3	108.4	102.8	102.6	108.1	106.7	102.7	114.8	118.3	123.0	122.6	133.2
Farm production expenses . . . . .	83.0	88.0	96.1	85.0	84.5	82.9	87.5	87.0	86.0	91.4	92.5	95.0	95.5	101.5
Net income before inventory adj. . . .	21.1	20.1	28.2	23.4	18.3	19.7	20.6	19.7	16.7	23.4	25.8	28.0	27.1	31.7
Net change in farm inventories . . . .	-2.4	.4	.6	-3.5	-1.2	-3.2	-1.0	.5	0	2.1	.5	0	.5	1.5
Net income after inventory adj. . . .														
Current prices . . . . .	18.8	20.6	28.8	19.9	17.1	16.5	19.6	20.2	16.8	25.5	26.3	28.0	27.6	33.2
1967 prices <sup>3</sup> . . . . .	11.0	11.3	14.7	11.8	9.9	9.5	11.1	11.2	9.4	13.5	14.0	14.5	13.9	16.4

<sup>1</sup>All estimates starting with calendar year 1975 were updated in July; quarters of 1978 are subject to revision as year progresses. Quarterly data are seasonally adjusted at annual rates. <sup>2</sup>Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. <sup>3</sup>Deflated by the consumer price index for all items, 1967=100. p. Preliminary.

### Farm marketing indexes (physical volume)

	Annual			1977				1978			
	1976	1977	1978	Dec	July	Aug	Sept	Oct	Nov	Dec	
	1967=100										
All commodities . . . . .	121	125	—	139	105	120	126	172	—	—	
Livestock and products . . . . .	111	114	—	114	93	110	107	124	—	—	
Crops . . . . .	135	140	—	172	123	134	151	239	—	—	

# Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1978						1979
	1976	1977	1978 p	Jan	Aug	Sept	Oct	Nov	Dec	Janp
				1967=100						
Prices Received										
All farm Products	186	183	210	186	211	216	217	216	222	232
All crops	197	192	203	188	208	204	200	202	205	209
Food grains	202	156	191	178	191	191	195	198	197	197
Feed grains and hay	218	181	184	176	176	174	174	178	183	185
Feed grains	214	174	180	172	173	170	171	175	181	183
Cotton	265	270	245	213	255	250	265	272	258	249
Tobacco	163	175	191	185	194	206	199	201	205	204
Oil-bearing crops	205	243	226	207	224	225	229	234	237	239
Fruit	129	163	227	192	248	279	247	213	207	212
Fresh market <sup>1</sup>	126	163	237	192	261	299	259	217	212	217
Commercial vegetables	161	176	189	185	165	170	165	170	192	225
Fresh market	173	197	212	207	172	179	172	180	213	265
Potatoes <sup>2</sup>	201	194	206	184	256	179	158	166	169	169
Livestock and products	177	175	216	185	217	226	232	228	237	252
Meat animals	170	168	225	183	228	238	248	236	247	270
Dairy products	192	193	210	203	208	217	224	230	234	236
Poultry and eggs	178	174	185	166	185	189	182	189	198	202
Prices paid										
Commodities and services, interest, taxes, and wage rates	191	202	219	209	221	223	224	225	226	234
Production items	193	200	216	203	217	220	222	222	225	230
Feed	191	186	183	179	179	178	179	184	187	189
Feeder livestock	154	158	221	170	227	239	247	241	250	265
Interest payable per acre on farm real estate debt	287	331	396	396	396	396	396	396	396	487
Taxes on farm real estate	178	195	207	207	207	207	207	207	207	221
Wage rates (seasonally adjusted)	210	226	242	244	243	243	237	237	237	257
Production items, interest, taxes, and wage rates	198	208	226	215	227	229	231	231	233	244
Prices received (1910-14=100)	464	457	524	466	527	539	545	539	555	679
Prices paid, etc. (Parity index) (1910-14=100)	650	687	744	711	750	757	761	764	770	796
Parity ratio <sup>3</sup>	71	66	70	66	70	71	72	71	72	73

<sup>1</sup> Fresh market for noncitrus and fresh market and processing for citrus. <sup>2</sup> Includes sweetpotatoes and dry edible beans. <sup>3</sup> Ratio of index of prices received to index of prices paid, taxes, and wage rates. p. Preliminary.

Prices received by farmers, U.S. average

Prices received by farmers, U.S. average	Annual*			1978						1979
	1976	1977	1978 p	Jan	Aug	Sept	Oct	Nov	Dec	Janp
Crops										
All wheat (\$/bu.)	3.15	2.29	2.82	2.53	2.88	2.92	2.99	3.04	3.01	2.99
Rice, rough (\$/cwt.)	6.90	7.94	9.28	10.70	8.44	7.56	7.62	7.76	7.98	8.07
Corn (\$/bu.)	2.49	2.03	2.10	2.00	2.00	1.98	1.97	2.02	2.09	2.11
Sorghum (\$/cwt.)	4.00	3.11	3.45	3.15	3.37	3.23	3.36	3.44	3.63	3.54
All hay, baled (\$/ton)	58.00	57.10	49.90	50.50	49.00	47.80	47.10	46.40	47.30	48.90
Soybeans (\$/bu.)	5.58	6.82	6.28	5.76	6.21	6.19	6.26	6.39	6.49	6.58
Cotton, Upland (cts./lb.)	59.7	60.9	55.0	48.0	57.4	56.2	59.6	61.1	58.1	56.0
Potatoes (\$/cwt.)	4.14	3.90	3.99	3.24	5.44	3.61	3.03	3.15	3.12	3.13
Dry edible beans (\$/cwt.)	16.40	17.50	18.60	21.60	17.00	14.60	16.20	16.60	16.90	16.50
Apples for fresh use (cts./lb.)	10.1	12.3	16.4	12.3	15.0	15.8	13.6	13.9	13.7	13.6
Pears for fresh use (\$/ton)	178	145	1320	209	324	305	274	284	281	244
Oranges, all uses (\$/box) <sup>1</sup>	1.64	2.94	4.72	3.88	5.30	6.20	5.25	4.79	4.64	4.51
Grapefruit, all uses (\$/box) <sup>2</sup>	1.45	1.67	2.39	1.59	3.01	6.42	4.32	1.78	1.64	1.72
Livestock										
Beef cattle (\$/cwt.)	33.90	34.50	48.20	37.20	48.80	51.60	53.20	51.50	54.10	59.80
Calves (\$/cwt.)	34.50	36.80	58.10	40.80	61.70	65.40	66.60	66.50	71.90	78.10
Hogs (\$/cwt.)	43.00	40.00	47.10	43.90	47.50	47.60	51.10	46.70	48.00	50.60
Lambs (\$/cwt.)	47.60	51.40	63.10	61.00	58.90	64.50	62.80	61.90	65.10	73.10
All milk, sold to plants (\$/cwt.)	9.66	9.71	10.60	10.20	10.50	10.90	11.30	11.60	11.80	11.90
Milk, manuf. grade (\$/cwt.)	8.57	8.71	9.67	9.12	9.58	9.92	10.50	10.70	10.90	10.90
Broilers (cts./lb.)	23.1	23.5	26.5	22.8	26.7	26.7	24.8	24.7	24.9	27.0
Eggs (cts./doz.) <sup>3</sup>	58.8	54.2	52.5	49.4	52.0	53.7	52.3	56.8	61.6	60.3
Turkeys (cts./lb.)	31.8	34.8	41.7	38.0	42.9	43.5	45.1	46.6	49.6	47.2
Wool (cts./lb.) <sup>4</sup>	65.1	71.4	76.3	72.9	75.3	77.6	78.6	79.7	76.8	77.7

<sup>1</sup> Ten month average. <sup>2</sup> Equivalent on-tree returns. <sup>3</sup> Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. <sup>4</sup> Average local market price, excluding incentive payments. \*Calendar year averages. p. Preliminary.

# Producer and Retail Prices

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1978						1979
	1976	1977	1978	Jan	Aug	Sept	Oct	Nov	Dec	Jan
	1967=100									
Finished goods <sup>1</sup>	170.3	180.6	184.6	187.0	195.6	197.1	199.7	200.6	202.4	205.3
Consumer foods	180.2	189.1	206.8	195.0	205.9	209.4	212.5	212.0	215.8	220.1
Fruits and vegetables	178.4	192.2	218.2	196.6	215.2	209.8	225.9	217.4	218.3	230.7
Eggs	179.1	162.0	158.6	145.2	158.1	167.8	156.3	177.9	189.0	178.5
Bakery products	180.0	186.5	201.2	193.0	203.3	204.9	207.8	210.2	210.4	212.2
Meats	173.6	170.7	209.5	185.9	206.9	215.5	222.1	211.7	220.3	234.1
Beef and veal	156.0	157.5	202.2	171.0	196.8	210.0	209.7	198.4	200.2	235.0
Pork	201.4	190.1	219.1	206.3	219.3	223.9	240.7	229.1	230.8	235.1
Poultry	166.2	173.3	194.0	169.1	199.2	203.5	184.4	188.9	193.9	196.4
Fish	272.4	294.3	313.0	293.5	316.6	329.9	337.7	343.7	352.1	351.0
Dairy products	168.5	173.4	188.4	178.0	190.8	192.9	197.0	199.6	202.7	203.4
Processed fruits and vegetables	170.2	187.3	202.6	194.3	203.3	204.9	210.3	216.3	218.4	218.4
Refined sugar	n.a.	n.a.	108.3	100.1	106.8	108.2	110.6	116.2	112.8	113.5
Vegetable oil and products	174.2	198.6	209.4	194.5	208.6	212.9	212.2	210.4	211.7	210.6
Consumer finished goods less foods	161.8	172.1	188.9	177.4	185.3	186.0	188.6	189.5	190.8	193.3
Beverages, alcoholic	138.1	139.7	148.0	142.5	148.7	149.6	151.1	152.7	153.7	154.1
Beverages, nonalcoholic	187.2	198.1	212.1	204.7	211.7	212.5	219.1	220.2	221.0	223.8
Apparel	139.9	147.3	152.4	150.1	153.3	153.2	154.3	155.2	155.4	157.1
Footwear	158.9	168.7	183.2	173.4	184.5	186.5	191.2	192.7	194.9	196.9
Tobacco products	163.0	179.8	198.5	190.4	205.1	205.1	203.7	203.7	203.8	213.3
Intermediate materials <sup>4</sup>	189.3	201.7	215.5	207.2	217.2	218.7	220.7	221.8	222.8	225.7
Materials for food manufacturing	180.6	181.7	202.3	186.4	203.3	208.2	210.0	207.9	210.7	214.4
Flour	147.8	118.9	141.5	129.6	143.7	144.0	145.6	151.7	150.9	148.2
Refined sugar	n.a.	n.a.	109.3	101.5	109.8	112.0	115.0	113.6	114.9	116.7
Crude vegetable oils	162.5	197.5	219.2	185.9	222.2	243.1	232.7	218.5	222.9	229.3
Crude materials <sup>5</sup>	205.1	214.4	240.2	219.6	240.2	244.8	249.9	248.6	252.4	260.2
Foodstuffs and feedstuffs	190.1	190.9	215.4	194.0	213.2	218.4	224.4	221.3	224.7	232.9
Fruits and vegetables <sup>2</sup>	178.4	192.2	218.2	196.6	215.2	209.8	225.9	217.4	218.3	230.7
Grains	205.9	165.0	182.5	169.1	178.9	176.9	182.0	189.0	184.7	184.4
Livestock	173.3	173.0	220.1	188.2	216.6	226.8	235.1	222.4	230.1	247.3
Poultry, live	166.9	175.4	199.8	170.2	204.8	211.1	184.9	192.4	198.5	206.0
Fibers, plant and animal	223.9	202.3	193.4	171.0	197.5	201.2	210.3	211.5	212.8	213.6
Milk	201.2	202.6	219.7	208.4	220.5	225.9	231.8	235.8	241.2	241.8
Oilseeds	204.4	236.7	224.1	206.1	223.9	219.5	226.7	227.7	235.6	238.6
Coffee, green	305.5	505.1	378.2	440.4	334.4	372.1	364.8	374.2	355.3	354.4
Tobacco, leaf	164.2	176.1	190.8	185.1	194.9	206.8	n.a.	201.6	205.7	205.0
Sugar, raw cane	185.5	149.5	190.2	172.5	194.7	193.3	206.9	192.5	195.6	191.1
All commodities	183.0	194.2	209.3	200.1	210.4	212.3	215.0	215.7	217.4	220.7
Industrial commodities	182.4	195.1	208.4	201.6	211.2	212.4	214.7	216.0	217.0	219.9
All foods <sup>7</sup>	178.9	186.8	206.5	193.4	206.1	209.7	213.2	211.7	215.5	219.7
Farm products and processed foods and feeds	183.1	188.8	206.7	192.2	205.3	209.5	213.6	212.5	216.1	221.0
Farm products	191.0	192.5	212.7	192.2	210.3	215.3	220.7	219.2	222.4	230.1
Processed foods and feeds	178.0	186.1	202.6	191.5	201.8	205.5	209.0	208.1	211.9	215.3
Cereal and bakery products	172.1	173.2	190.2	183.3	191.7	190.9	193.2	195.8	196.4	196.9
Sugar and confectionery	190.9	177.5	197.8	185.8	201.0	202.5	205.4	202.6	204.5	204.8
Beverages	173.5	200.9	200.1	202.1	197.2	197.8	201.1	201.4	202.3	201.3
Wholesale spot prices, 9 foodstuffs	201.5	208.2	239.2	215.4	241.4	248.7	253.1	248.3	249.1	249.9

<sup>1</sup> Commodities ready for sale to ultimate consumer. <sup>2</sup> Fresh and dried. <sup>3</sup> Consumer size packages, Dec. 1977=100. <sup>4</sup> Commodities requiring further processing to become finished goods. <sup>5</sup> For use in food manufacturing. <sup>6</sup> Products entering market for first time which have not been manufactured at that point. <sup>7</sup> Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a.=not available.

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)\*

	Annual	1978								1979
	1978	May <sup>1</sup>	June <sup>2</sup>	July	Aug	Sept	Oct	Nov	Dec	Jan
1967=100										
Consumer price index, all items	195.4	193.3	195.3	196.7	197.8	199.3	200.9	202.0	202.9	204.7
Consumer price index, less food	191.2	189.0	190.6	192.0	193.3	195.1	196.7	197.8	198.6	199.8
All food	211.4	210.3	213.8	215.0	215.4	215.6	216.8	217.8	219.4	223.9
Food away from home	218.4	215.8	217.8	219.9	221.7	223.2	224.6	225.9	227.4	230.2
Food at home	210.2	209.7	213.9	214.7	214.5	214.1	215.4	216.1	217.9	223.1
Meats <sup>1</sup>	206.8	206.2	216.5	214.5	213.2	212.7	215.3	217.6	219.4	227.6
Beef and veal	201.0	201.0	216.0	213.0	211.6	209.7	211.3	212.5	215.4	227.7
Pork	213.1	211.3	215.8	214.4	212.4	213.7	218.7	222.6	223.4	226.7
Poultry	172.9	171.0	178.4	185.2	179.1	177.9	177.3	176.0	177.6	181.2
Fish	275.4	272.8	273.5	275.6	277.2	280.0	281.7	285.4	286.5	290.4
Eggs	157.8	147.4	137.0	146.5	164.1	161.9	159.1	167.0	179.6	180.4
Dairy products <sup>3</sup>	185.6	183.5	184.8	185.3	186.1	188.8	191.1	193.2	196.4	198.4
Fats and oils <sup>3</sup>	209.6	207.9	210.9	213.5	214.5	215.4	216.3	216.9	217.6	218.1
Fruits and vegetables	212.9	219.3	223.5	225.6	221.4	216.2	216.3	210.4	209.7	221.6
Fresh	218.6	233.3	240.1	242.5	233.8	222.5	221.5	207.7	203.2	224.3
Processed	208.7	205.9	207.0	208.8	209.7	211.2	212.5	215.3	218.9	220.7
Cereals and bakery products	199.9	197.5	199.6	201.3	203.1	203.8	205.1	206.6	207.9	210.0
Sugar and sweets	257.5	256.4	259.0	260.4	262.0	261.8	262.3	263.8	264.9	268.2
Beverages, nonalcoholic	340.8	341.6	341.6	341.6	340.7	339.8	340.4	340.9	341.7	345.4
Apparel commodities less footwear	154.2	154.8	154.7	152.5	154.1	156.5	157.7	158.4	157.0	153.6
Footwear	163.8	163.4	163.8	162.1	163.5	165.7	167.8	169.1	169.6	168.7
Tobacco products	177.2	174.0	174.9	179.9	180.6	180.8	181.0	180.9	180.9	183.0
Beverages, alcoholic	159.8	159.2	159.5	160.1	161.0	162.0	163.1	163.9	164.8	166.0

<sup>1</sup> Beef, veal, lamb, pork, and processed meat. <sup>2</sup> Includes butter. <sup>3</sup> Excludes butter.

## Farm-Retail Price Spreads

### Market basket of farm foods

	Annual			1978p						1979p
	1976	1977	1978p	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Market basket <sup>1</sup> :										
Retail cost (1967=100)	175.4	179.2	199.4	185.2	204.3	203.9	205.1	205.9	207.7	213.3
Farm value (1967=100)	177.8	178.1	207.4	186.4	210.4	213.1	213.9	209.1	218.5	230.6
Farm-retail spread (1967=100)	174.0	180.0	194.5	184.4	200.5	198.2	199.8	200.0	201.0	202.7
Farm value/retail cost (%)	38.3	37.5	39.3	38.0	38.9	39.5	39.4		39.7	40.8
Meat Products:										
Retail cost (1967=100)	178.5	174.3	206.8	183.1	213.2	212.7	215.3	217.6	219.4	227.6
Farm value (1967=100)	170.1	169.8	211.5	182.9	212.7	219.6	224.6	215.0	231.9	250.2
Farm-retail spread (1967=100)	189.5	180.0	200.6	183.4	213.8	203.7	203.2	221.0	203.2	198.3
Farm value/retail cost (%)	53.8	55.0	57.8	56.4	56.3	58.3	58.9	55.8	59.7	62.1
Dairy Products:										
Retail cost (1967=100)	168.5	173.3	185.5	177.7	186.1	188.8	191.1	193.2	196.4	198.4
Farm value (1967=100)	185.9	187.2	204.2	193.0	207.0	207.5	214.4	216.9	219.8	222.5
Farm-retail spread (1967=100)	153.3	161.3	168.3	164.4	167.9	172.5	170.8	172.6	176.0	177.4
Farm value/retail cost (%)	51.4	50.3	51.2	50.6	51.8	51.2	52.2	52.3	52.1	52.2
Poultry:										
Retail cost (1967=100)	157.0	158.1	172.9	157.5	179.1	177.9	177.3	176.0	177.6	181.2
Farm value (1967=100)	174.4	178.5	202.8	171.8	211.4	211.3	202.2	198.8	193.6	199.1
Farm-retail spread (1967=100)	140.2	138.4	143.9	143.7	147.9	143.4	153.2	154.0	162.1	163.9
Farm value/retail cost (%)	54.6	55.5	57.7	53.6	58.0	59.0	56.1	55.6	53.6	54.0
Eggs:										
Retail cost (1967=100)	174.9	169.1	157.8	156.1	164.1	161.9	159.1	167.0	179.5	180.4
Farm value (1967=100)	201.9	187.5	178.6	189.6	194.7	188.1	178.3	192.7	213.0	216.4
Farm-retail spread (1967=100)	135.8	142.5	127.6	107.7	119.9	124.1	131.3	129.9	131.1	128.3
Farm value/retail cost (%)	68.2	65.5	66.9	71.8	70.1	68.7	66.2	68.2	70.1	70.9
Cereal and bakery products:										
Retail cost (1967=100)	180.8	183.7	199.9	191.3	203.1	203.8	205.1	206.6	207.9	210.0
Farm value (1967=100)	162.3	138.2	163.8	154.7	164.5	162.0	164.6	164.3	164.6	165.7
Farm-retail spread (1967=100)	184.6	193.2	207.4	198.9	211.1	212.5	213.5	215.4	216.9	219.2
Farm value/retail cost (%)	15.4	12.9	14.1	13.9	13.9	13.6	13.8	13.6	13.6	13.5
Fresh fruits:										
Retail cost (1967=100)	161.3	187.9	230.1	196.0	268.4	264.7	258.1	225.6	208.4	216.9
Farm value (1967=100)	146.7	177.2	228.8	199.1	245.5	264.7	236.2	192.0	193.9	201.0
Farm-retail spread (1967=100)	167.8	192.7	230.7	194.8	278.7	264.7	267.9	240.7	214.9	224.1
Farm value/retail cost (%)	28.2	29.2	30.8	31.5	28.3	31.0	28.4	26.4	28.8	28.7

# Market Basket of Farm Foods—Continued

	1976		1977				1978p			
	III	IV	I	II	III	IV	I	II	III	IV
<b>Fresh vegetables:</b>										
Retail costs (1967=100) .....	179.1	200.6	216.2	200.5	216.1	198.5	200.1	200.1	203.8	238.6
Farm value (1967=100) .....	184.4	205.4	217.2	188.7	213.3	189.8	170.6	178.7	187.4	251.3
Farm-retail spread (1967=100) .....	176.5	198.3	215.8	206.1	217.4	202.6	214.0	210.2	211.5	232.6
Farm value/retail cost (%) .....	32.9	32.8	32.1	30.1	31.6	30.6	27.3	28.6	29.4	33.7
<b>Processed fruits and vegetables:</b>										
Retail cost (1967=100) .....	181.7	190.2	208.7	201.5	209.7	211.2	212.5	215.3	218.9	220.7
Farm value (1967=100) .....	202.8	188.5	213.2	200.9	215.0	214.5	214.8	213.7	213.3	219.0
Farm-retail spread (1967=100) .....	177.1	190.6	207.7	201.6	208.5	210.5	212.0	215.6	220.1	221.1
Farm value/retail cost (%) .....	20.2	18.0	18.5	18.1	18.6	18.4	18.3	18.0	17.7	18.0
<b>Fats and oils:</b>										
Retail costs (1967=100) .....	176.7	192.0	209.6	198.1	214.5	215.4	216.3	216.9	217.6	218.1
Farm value (1967=100) .....	206.4	249.3	257.6	223.7	267.2	271.6	262.4	247.3	258.8	251.9
Farm-retail spread (1967=100) .....	165.2	169.9	191.1	188.3	194.2	193.8	198.6	205.2	201.8	205.1
Farm value/retail cost (%) .....	32.5	36.1	34.1	31.4	34.6	35.0	33.7	31.7	33.0	32.1

<sup>1</sup> Market basket statistics have been revised to adopt weight structure of the new Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

## Farm-retail price spreads


	Annual			1978p						1979p
	1976	1977	1978p	Jan	Aug	Sept	Oct	Nov	Dec	Jan
<b>Beef, Choice:<sup>1</sup></b>										
Retail price <sup>2</sup> (cts./lb.) .....	148.2	148.4	181.9	159.5	189.3	187.4	187.6	187.8	193.6	204.9
Net carcass value <sup>3</sup> (cts.) .....	91.5	93.8	119.3	102.1	118.5	121.8	121.4	119.2	125.7	138.5
Net farm value <sup>4</sup> (cts.) .....	84.1	85.5	111.1	92.4	109.5	113.0	112.7	111.2	117.5	128.1
Farm-retail spread (cts.) .....	64.1	62.9	70.8	67.1	79.8	74.4	74.9	76.6	76.1	76.8
Carcass-retail spread <sup>5</sup> (cts.) .....	56.7	54.6	62.6	57.4	70.8	65.6	66.2	68.6	67.9	66.4
Farm-carcass spread <sup>6</sup> (cts.) .....	7.4	8.3	8.2	9.7	9.0	8.8	8.7	8.0	8.2	10.4
Farm value/retail price (%) .....	57	58	61	58	58	60	60	59	61	62
<b>Pork:<sup>1</sup></b>										
Retail Price <sup>2</sup> (cts./lb.) .....	134.0	125.4	143.6	133.8	144.4	145.5	149.4	150.4	150.5	154.2
Wholesale value <sup>3</sup> (cts.) .....	105.2	99.0	107.7	101.7	107.5	110.7	114.8	111.0	112.2	116.0
Net farm value <sup>4</sup> (cts.) .....	71.0	65.6	76.6	73.0	76.8	78.6	82.6	76.6	78.5	82.4
Farm-retail spread (cts.) .....	63.0	59.8	67.0	60.8	67.6	66.9	66.8	73.8	72.0	71.8
Wholesale-retail spread <sup>5</sup> (cts.) .....	28.8	26.4	35.9	32.1	36.9	34.8	34.6	39.4	38.3	38.2
Farm-wholesale spread <sup>6</sup> (cts.) .....	34.2	33.4	31.1	28.7	30.7	32.1	32.2	34.4	33.7	33.6
Farm value/retail price (%) .....	53	52	53	55	53	54	55	51	52	53

<sup>1</sup> Revised series, for historical data and methodology see August 1978 issue of *Livestock and Meat Situation*, LMS-222. <sup>2</sup> Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. <sup>3</sup> Value of carcass quantity equivalent to 1 lb. of retail cuts—beef adjusted for value of fat and bone byproducts. <sup>4</sup> Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. <sup>5</sup> Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>6</sup> Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

Year	Farm-retail price spread	Intermediate goods and services <sup>1</sup>				Profit rates after taxes			
		Total	Containers packaging	Fuel, power, and light	Hourly earnings <sup>2</sup>	Food retailers <sup>3</sup>		Food manufacturers <sup>4</sup>	
						Sales	Equity	Sales	Equity
1967=100					Dollars	Percent			
1972	119.0	126	117	126	3.49	—	—	2.6	11.2
1973	126.4	134	123	138	3.71	—	—	2.6	12.8
1974	150.4	159	151	202	4.06	—	—	2.9	13.9
1975	165.1	180	174	237	4.44	0.5	6.8	3.2	14.4
1976	174.0	193	184	258	4.79	.8	10.0	3.4	14.9
1977 <sup>5</sup>	180.0	208	195	310	5.20	.8	10.8	3.1	13.2
1978	194.5	223	211	327	5.65	—	—	—	—
1976									
I	172.8	186	179	243	4.68	.7	9.4	3.1	13.3
II	170.9	191	185	252	4.75	.9	11.6	3.7	16.4
III	174.9	194	185	260	4.82	.7	8.9	3.9	16.8
IV	177.1	198	187	278	4.99	.8	10.7	3.1	13.1
1977									
I	178.0	202	189	301	5.06	.8	10.5	2.7	11.4
II	178.9	207	195	306	5.14	.9	11.4	3.5	15.0
III	180.6	211	197	315	5.23	.6	7.4	3.1	13.1
IV	181.8	213	199	317	5.36	1.0	13.6	3.2	13.6
1978 <sup>5</sup>									
I	186.1	217	203	321	5.51	.8	10.5	2.7	11.4
II	191.8	221	207	327	5.59	1.0	13.4	3.5	15.4
III	198.7	226	213	328	5.67	.9	11.8	3.1	13.4
IV	201.6	230	219	330	5.83	—	—	—	—

**FARM INDEX**  
U.S. Department of Agriculture  
July 1978

The Foreign Connection: Exports



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# Food Supply and Use

Civilian per capita consumption of major food commodities (retail weight)<sup>1</sup>

	1960	1970	1973	1974	1975	1976	1977	1978 <sup>2</sup>
	Pounds							
<b>Meats:</b>	134.1	151.4	142.6	152.5	145.4	155.3	154.6	149.6
Beef	64.3	84.1	81.1	86.4	88.9	95.7	93.2	89.2
Veal	5.2	2.4	1.5	1.9	3.5	3.3	3.2	2.5
Lamb and mutton	4.3	2.9	2.4	2.0	1.8	1.7	1.5	1.4
Pork	60.3	62.0	57.6	62.2	51.2	54.6	56.7	56.5
<b>Fish (edible weight)</b>	10.3	11.8	12.9	12.2	12.2	13.0	12.8	12.9
<b>Poultry products:</b>								
Eggs	42.4	39.5	37.3	36.6	35.4	34.8	34.5	34.6
Chicken (ready-to-cook)	27.8	40.5	40.7	41.1	40.3	43.3	44.9	47.6
Turkey (ready-to-cook)	6.2	8.0	8.5	8.9	8.6	9.2	9.2	9.4
<b>Dairy products:</b>								
Cheese	8.3	11.5	13.7	14.6	14.5	15.8	16.4	17.4
Condensed and evaporated milk	13.7	7.1	6.0	5.6	5.0	3.6	3.3	2.9
Fluid milk and cream (product weight)	321.0	296.0	293.0	288.0	291.1	292.0	289.4	288.9
Ice cream (product weight)	18.3	17.7	17.5	17.5	18.7	18.1	17.7	17.7
<b>Fats and Oils—Total fat content</b>	45.3	53.0	54.3	53.2	53.4	56.1	54.4	56.0
Butter (actual weight)	7.5	6.3	4.8	4.6	4.8	4.4	4.4	4.6
Margarine (actual weight)	9.4	11.0	11.3	11.3	11.2	12.2	11.6	11.9
Lard	7.6	4.7	3.4	3.2	4.0	3.6	3.5	3.4
Shortening	12.6	17.3	17.3	17.0	17.3	18.1	17.6	18.0
Other edible fats and oils	11.5	18.2	20.8	20.3	20.3	22.0	21.6	22.0
<b>Fruits:</b>								
Fresh <sup>3</sup>	90.0	79.1	74.0	76.3	81.3	84.4	81.2	80.3
Citrus	32.5	27.9	26.7	26.8	28.7	28.5	25.2	24.6
Noncitrus	57.5	51.2	47.3	49.5	52.6	55.9	56.0	55.7
Processed:								
Canned fruit	22.6	23.3	21.3	19.6	19.3	19.2	20.0	17.2
Canned juice	13.0	14.6	15.9	14.7	15.3	16.2	15.6	18.0
Frozen (including juices)	9.1	9.8	11.2	11.3	12.6	12.2	11.9	11.4
Chilled citrus juices	2.1	4.7	5.3	5.2	5.7	6.5	6.0	6.0
Dried	3.1	2.7	2.6	2.5	3.0	2.7	2.7	2.6
<b>Vegetables:</b>								
Fresh <sup>3</sup>	96.0	91.0	92.7	93.6	93.9	94.7	93.2	95.2
Canned (excluding potatoes and sweet potatoes)	43.4	51.2	54.3	53.3	52.1	53.0	52.9	53.0
Frozen (excluding potatoes)	7.0	9.6	10.7	10.2	9.7	10.2	10.3	10.9
Potatoes <sup>4</sup>	105.0	115.3	114.4	112.3	120.2	114.9	119.8	125.4
Sweet potatoes <sup>4</sup>	6.5	5.2	4.7	5.1	5.3	5.0	4.6	4.9
<b>Grains:</b>								
Wheat flour <sup>5</sup>	118	110	109	106	107	111	108	112
Rice	6.1	6.7	7.0	7.6	7.7	7.2	7.6	5.8
<b>Other:</b>								
Coffee	11.6	10.5	10.1	9.5	9.0	9.7	6.9	7.3
Tea	.5	.7	.8	.8	.8	.8	.9	.7
Cocoa	2.9	3.1	3.4	3.0	2.6	3.0	2.7	2.6
Peanuts (shelled)	4.9	5.9	6.6	6.4	6.5	6.3	6.5	6.6
Dry edible beans	7.3	5.9	6.4	6.7	6.5	6.3	6.0	6.0
Metons	23.2	21.2	19.7	17.2	17.5	20.5	21.2	21.3
Sugar (refined)	97.4	101.8	101.5	96.6	90.2	94.7	95.7	92.7

<sup>1</sup> Quantity in pounds, retail weight unless otherwise shown. Data on calendar year basis except for dried fruits, fresh citrus fruits, peanuts, and rice which are on a crop-year basis. <sup>2</sup> Preliminary. <sup>3</sup> Commercial production for sale as fresh produce. <sup>4</sup> Including fresh equivalent of processed. <sup>5</sup> White, whole wheat, and semolina flour including use in bakery products.

Note: Historical consumption and supply-utilization data for food may be found in *Food Consumption, Prices, and Expenditures*, Ag. Econ. Report 138 and annual supplements, ESCS, USDA.

## Per capita food consumption indexes<sup>1</sup>

	1960	1970	1973	1974	1975	1976	1977	1978 <sup>2</sup>	1979 <sup>3</sup>
	1967=100								
Meat, poultry, and fish	89.7	104.7	100.4	105.8	102.7	109.6	109.2	106.9	106.1
Meat	92.1	104.0	97.7	104.6	101.2	107.9	107.0	103.2	101.2
Poultry	75.3	107.0	108.7	110.6	108.1	116.0	119.4	125.7	132.3
Fish	96.9	110.6	121.2	114.6	113.7	120.8	119.4	120.3	120.3
Eggs	104.2	97.0	91.6	89.9	87.0	85.5	84.8	85.0	84.5
Dairy products <sup>4</sup>	103.4	99.3	100.6	99.1	99.8	101.5	101.2	102.1	103.0
Fats and oils	96.1	105.9	107.9	104.9	105.5	109.8	106.5	109.3	108.7
Animal	116.7	87.7	73.0	72.4	65.2	63.5	65.0	66.4	66.0
Vegetable	82.7	119.3	133.6	128.9	135.3	144.0	137.2	141.0	140.3
Fruits <sup>5</sup>	106.6	103.0	99.6	99.2	106.6	108.4	107.0	104.4	106.0
Fresh	114.0	102.0	94.2	97.0	105.6	108.2	106.8	105.8	106.1
Processed	98.3	104.3	106.5	102.1	107.9	108.7	107.1	102.7	105.8
Vegetables <sup>6</sup>	99.2	101.9	105.3	104.5	104.2	105.9	105.3	106.8	107.2
Fresh	107.4	100.6	101.8	101.7	102.2	103.8	103.2	104.5	104.6
Processed	83.9	104.1	111.4	109.4	107.7	109.6	109.1	111.0	111.7
Potatoes and sweetpotatoes	79.8	110.3	110.1	109.2	114.0	109.5	112.8	118.3	121.8
Fresh	133.8	95.0	83.5	80.0	90.8	85.9	88.4	91.1	92.2
Processed	52.2	122.3	131.0	132.2	132.2	128.1	132.0	139.7	145.1
Beans, peas, and nuts	94.8	98.0	105.3	101.8	106.6	104.2	104.1	105.4	105.8
Cereal products	102.2	97.7	97.2	95.4	96.0	98.8	96.3	98.2	99.4
Sugar	97.9	106.0	110.6	108.7	105.8	112.7	115.6	115.1	114.9
Coffee, tea, and cocoa	99.6	93.9	97.7	92.1	89.7	93.2	77.5	77.2	78.2
Total food	96.7	102.4	101.7	102.3	101.5	105.3	104.4	104.2	104.4
Animal products	95.5	102.0	98.6	101.4	99.1	103.6	103.3	102.2	101.9
Crops <sup>7</sup>	98.0	102.9	105.2	103.3	104.2	107.2	105.7	106.5	107.2

<sup>1</sup> Civilian consumption only. Quantities of individual foods are combined in terms of 1967-69 retail prices. <sup>2</sup> Preliminary. <sup>3</sup> Forecast. <sup>4</sup> Excludes butter. <sup>5</sup> Excludes melons and baby food. <sup>6</sup> Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. <sup>7</sup> Includes melons, nuts, soup, and baby food in addition to groups shown separately.

## Transportation Data

### Rail rates, grain and fruit and vegetable shipments

	Annual			1978						1979
	1976	1977	1978	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Rail freight rate index <sup>1</sup>										
All products (1969=100)	186.6	199.1	213.0	207.6	215.7	215.8	215.8	216.3	231.0	231.7
Farm products (1969=100)	182.7	191.3	204.9	200.9	207.3	207.3	207.4	207.6	220.7	220.9
Food products (1969=100)	185.1	195.3	210.0	204.0	212.9	212.9	212.6	213.1	228.2	228.2
Rail carloadings of grain (thou. cars) <sup>2</sup>	25.5	23.9	25.8	21.4	29.2	24.4	28.5	27.6	24.8	21.7
Barge shipments of grain (mil. bu.) <sup>3</sup>	31.0	29.3	31.3	25.6	38.0	32.2	37.6	33.1	26.7	20.9
Fresh fruit and vegetable shipments										
Rail (1000 cwt) <sup>4</sup>	63.8	1,552	928	1,053	586	480	843	921	865	866
Truck (1000 cwt) <sup>5</sup>	17.0	6,596	6,830	6,427	5,709	5,704	6,379	7,151	7,400	6,905

<sup>1</sup> Department of Labor, Bureau of Labor Statistics. <sup>2</sup> Weekly average; from Association of American Railroads. <sup>3</sup> Weekly average; from Agricultural Marketing Service, USDA. <sup>4</sup> Preliminary data for 1977, 1978 and 1979. <sup>5</sup> Typical truck loads are about 40,000 pounds and average railcar/loads in 1975 were about 60,000 pounds. <sup>6</sup> Thousand carlots.

# Livestock and Products

## Livestock and products output and prices

	1976	1977			1978					1979	
	Annual	III	IV	Annual	I	II	III	IV	Annual	I <sup>1</sup>	II <sup>1</sup>
Beef (mil. lb.)	25,667	6,321	6,220	24,986	6,104	5,936	5,921	6,040	24,001	6,025	5,525
Change (pct.) <sup>2</sup>	+8	-4	-3	-3	-3	-4	-6	-3	-4	-1	-7
Pork (mil. lb.)	12,488	3,073	3,500	13,051	3,242	3,264	3,158	3,539	13,203	3,420	3,550
Change (pct.) <sup>2</sup>	+8	+2	-5	+5	+2	+3	+3	-1	+1	+5	+9
Veal (mil. lb.)	813	205	201	794	178	149	139	133	599	100	75
Change (pct.) <sup>2</sup>	-2	0	-10	-2	-11	-20	-32	-34	-25	-44	-50
Lamb and mutton (mil. lb.)	361	84	81	341	75	76	73	76	300	75	80
Change (pct.) <sup>2</sup>	-10	-9	-12	-6	-17	-12	-13	-6	-12	0	+5
Red meats (mil. lb.)	39,329	9,683	10,002	39,172	9,599	9,425	9,291	9,788	38,103	9,620	9,230
Change (pct.) <sup>2</sup>	+8	-2	-4	0	-3	-2	-4	-2	-3	0	-2
Broilers (mil. lb.)	8,988	2,424	2,248	9,227	2,327	2,547	2,567	2,443	9,883	2,560	2,750
Change (pct.) <sup>2</sup>	+13	+2	+3	+3	+8	+6	+6	+9	+7	+10	+8
Turkeys (mil. lb.)	1,950	672	645	1,892	228	400	680	676	1,983	285	480
Change (pct.) <sup>2</sup>	+14	-5	-3	-3	+9	+10	+1	+5	+5	+25	+20
Total meats (mil. lb.)	50,267	12,779	12,895	50,291	12,154	12,372	12,538	12,909	49,971	12,465	12,460
Change (pct.) <sup>2</sup>	+9	-2	-3	0	-1	0	-2	0	+1	+2	0
Eggs (mil. doz.)	5,377	1,333	1,411	5,408	1,378	1,394	1,380	1,444	5,596	1,405	1,420
Change (pct.) <sup>2</sup>	0	0	+4	+1	+4	+4	+4	+2	+3	+2	+2
Milk (bil. lb.)	120.3	30.9	29.0	122.7	29.8	32.7	30.5	29.0	<sup>3</sup> 121.9	30.1	33.3
Change (pct.) <sup>2</sup>	+4	+3	+2	+2	0	-1	-1	0	-1	+1	+2
Total livestock and products (1974=100)	105.5	107.6	106.4	106.2	102.9	107.2	106.0	106.5	105.6	104.7	108.2
Change (pct.) <sup>2</sup>	+6.6	-5	-7	+7	-4	-2	-1.5	+1	-6	+1.7	+9

## Prices

Choice steers, Omaha (\$ per cwt.)	39.11	40.47	42.42	40.38	45.77	55.06	53.75	54.70	52.34	61-63	64-66
Barrows and gilts, 7-markets <sup>2</sup> (\$ per cwt.)	43.11	43.85	41.38	41.07	47.44	47.84	48.52	50.05	48.46	51-53	48-50
Broilers, 8-city wholesale (cts. per lb.) <sup>4</sup>	40.2	42.4	37.6	40.8	41.8	47.6	46.6	42.1	44.5	46-48	47-49
Turkeys, N.Y., wholesale (cts. per lb.) <sup>5</sup>	48.8	53.1	61.3	54.0	60.2	61.4	68.2	77.1	66.7	68-70	63-65
Eggs, cartoned, Grade A large, N.Y. (cts. per doz.)	70.3	61.5	58.9	63.3	62.0	53.8	63.0	67.8	61.7	67-69	57-59
Milk, all at farm, (\$ per cwt.)	9.66	9.71	10.17	9.71	10.20	10.03	10.47	11.57	10.58	11.65-11.85	11.10-11.30
Livestock prices received by farmers (1967=100)	177	178	177	175	195	215	220	232	216	251	252

<sup>1</sup> Forecast. <sup>2</sup> Change from year-earlier. <sup>3</sup> Does not add due to rounding of quarterly data. <sup>4</sup> Weighted average. <sup>5</sup> 8-16 pound young hens.

# Meat animals:

	Annual			1978						1979
	1975	1976	1977	Jan	Aug	Sept	Oct	Nov	Dec	Jan
<b>Cattle on feed (7-States)</b>										
Number on feed (thou. head) <sup>1</sup>	6,369	8,537	8,213	8,927	7,867	7,835	8,541	9,302	9,315	9,226
Placed on feed (thou. head) <sup>1</sup>	18,095	18,976	20,817	1,649	1,757	2,478	2,779	1,890	1,747	1,589
Marketings (thou. head)	14,988	18,167	18,720	1,750	1,674	1,646	1,865	1,717	1,660	1,888
Other disappearance (thou. head)	939	1,133	1,383	212	115	126	153	160	176	198
Beef steer-corn price ratio, Omaha (bu.) <sup>3</sup>	15.8	15.2	19.9	21.7	26.5	27.8	26.8	26.3	26.6	28.4
Hog-corn price ratio, Omaha (bu.) <sup>3</sup>	16.9	16.5	20.2	22.7	24.5	25.7	25.5	23.5	23.4	24.4
<b>Commercial slaughter (thou. head)<sup>4</sup></b>										
Cattle	40,911	42,654	41,856	3,468	3,456	3,222	3,406	3,268	3,046	3,304
Steers	17,819	18,879	19,342	1,606	1,583	1,440	1,536	1,520	1,498	1,715
Heifers	10,438	12,158	11,748	971	1,092	1,063	1,080	990	889	948
Cows	11,557	10,619	9,864	832	705	651	715	693	603	588
Bulls and stags	1,097	998	902	59	76	68	75	65	55	53
Calves	5,209	5,350	5,517	425	347	315	331	316	300	296
Sheep and lambs	7,835	6,714	6,356	437	459	455	476	430	411	402
Hogs	68,687	73,784	77,303	6,240	6,479	6,439	6,837	7,038	6,430	6,696
<b>Commercial production (mil. lb.)</b>										
Beef	23,673	25,667	24,986	2,077	2,096	1,973	2,102	2,038	1,901	2,069
Veal	827	813	794	62	50	45	48	45	40	41
Lamb and mutton	399	361	341	25	25	25	27	25	24	23
Pork	11,586	12,488	13,051	1,051	1,101	1,095	1,176	1,236	1,128	1,147
<b>Market prices</b>										
				Dol. per 100 pounds						
<b>Slaughter cattle:</b>										
Choice steers, Omaha	44.61	39.11	40.38	43.62	52.40	54.26	54.93	53.82	55.54	60.35
Utility cows, Omaha	21.09	25.31	25.32	27.59	37.85	39.75	40.46	39.30	41.85	47.33
Choice vealers, S. St. Paul	40.44	45.18	48.19	40.50	81.66	83.25	81.82	78.60	78.00	80.73
<b>Feeder cattle:</b>										
Choice, Kansas City, 600-700 lb.	33.91	39.40	40.19	44.07	63.08	64.46	64.88	64.85	69.83	75.29
<b>Slaughter hogs:</b>										
Barrows and gilts, No. 1&2, Omaha <sup>4</sup>	50.12	44.70	42.10	46.95	49.33	50.51	53.15	49.63	51.06	53.40
Barrows and gilts, 7-markets	48.32	43.11	41.07	45.99	48.77	50.00	52.23	48.36	49.57	52.13
<b>Feeder pigs:</b>										
S. Mo. 40-50 lb. (per head)	44.80	36.54	35.42	35.88	50.83	52.91	51.84	47.01	44.49	42.26
<b>Slaughter sheep and lambs:</b>										
Lambs, Choice, San Angelo	44.45	49.87	54.28	61.44	59.70	62.88	62.50	62.00	65.83	73.80
Ewes, Good, San Angelo	15.34	17.69	19.19	26.19	28.80	31.88	33.25	34.75	36.67	36.90
<b>Feeder lambs:</b>										
Choice, San Angelo	41.40	61.28	55.12	67.00	76.10	80.38	78.00	79.88	82.33	86.30
<b>Wholesale meat prices, Midwest<sup>5</sup></b>										
Choice steer beef, 600-700 lb.	72.55	60.99	62.67	68.74	79.94	81.96	82.14	80.98	84.75	93.57
Canner and Cutter cow beef	42.90	52.00	51.55	57.64	74.99	77.50	80.25	85.00	87.88	100.05
Pork loins, 8-14 lb.	92.69	86.45	83.04	91.60	93.66	101.78	106.24	95.36	96.06	110.78
Pork bellies, 12-14 lb.	78.52	65.27	54.19	59.37	58.39	60.46	61.58	58.30	57.74	60.23
Hams, skinned, 14-17 lb.	84.06	79.79	76.50	83.00	83.54	90.70	99.71	105.24	99.86	83.58

	Annual			1977		1978				1979
	1975	1976	1977	III	IV	I	II	III	IV	I
<b>Cattle on feed (23-States):</b>										
Number on feed (thou. head) <sup>1</sup>	9,622	12,328	11,948	9,765	9,793	12,811	11,716	10,924	11,347	12,665
Placed on feed (thou. head) <sup>2</sup>	24,685	25,508	27,647	6,479	9,551	6,490	6,558	7,352	8,656	—
Marketings (thou. head)	20,500	24,170	24,861	6,159	6,085	6,771	6,621	6,523	4,730	—
Other disappearance (thou. head)	1,479	1,718	1,935	292	448	789	734	406	608	—
<b>Hogs and pigs (14-States):<sup>4</sup></b>										
Inventory (thou. head) <sup>1</sup>	47,170	41,855	47,120	46,640	49,123	48,308	44,680	47,205	49,300	51,130
Breeding (thou. head) <sup>1</sup>	6,283	6,368	6,788	7,352	7,186	7,324	6,946	7,450	7,463	8,089
Market (thou. head) <sup>1</sup>	40,887	35,487	40,332	39,288	41,937	40,984	37,734	39,755	41,837	43,041
Farrowings (thou. head)	8,417	9,996	10,362	2,600	2,565	2,285	2,870	2,658	2,716	2,564
Pig crop (thou. head)	60,476	72,580	74,161	18,768	18,421	15,626	20,716	19,195	20,027	—

<sup>1</sup> Beginning of period. <sup>2</sup> Other disappearance excluded in 1973; not comparable with 1974 and 1975. <sup>3</sup> Bushels of corn equal in value to 100 pounds liveweight. <sup>4</sup> 220-240 lb. Beginning in January 230-240 lb. <sup>5</sup> Prior to Oct. 1975, Chicago. <sup>6</sup> Quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug. (III), and Sept-Nov. (IV). <sup>7</sup> Intentions. \* Classes estimated.

## Wool:

	Annual			1978						1979
	1976	1977	1978	Jan	Aug	Sept	Oct	Nov	Dec	Jan
U.S. wool price, Boston <sup>1</sup> (cts./lb.)	182	183	189	182	192	195	198	202	202	202
Imported wool price, Boston <sup>2</sup> (cts./lb.)	214	224	230	223	234	234	234	235	235	235
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	106,629	95,485	102,550	7,677	8,376	9,370	8,066	8,126	7,758	n.a.
Carpet wool (thou. lb.)	15,117	12,526	13,009	979	1,028	1,352	1,182	1,190	823	n.a.

<sup>1</sup> Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. <sup>2</sup> Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. n.a. Not available.

## Dairy:

	Annual			1978						1979
	1976	1977	1978	Jan	Aug	Sept	Oct	Nov	Dec	Jan
<b>Milk Production:</b>										
Total milk (mil. lb.)	120,269	122,698	121,928	9,994	10,213	9,733	9,832	9,364	9,788	10,035
Milk per cow (lb.)	10,879	11,181	11,240	915	944	899	907	864	902	925
Number of milk cows (thou.)	11,055	10,974	10,848	10,923	10,821	10,832	10,837	10,837	10,853	10,848
<b>Milk prices, Minnesota-Wisconsin:</b>										
3.5% fat (\$/cwt.) <sup>1</sup>	8.48	8.58	9.57	8.91	9.68	9.90	10.18	10.44	10.60	10.55
Price of 16% dairy ration (\$/ton)	141	140	138	136	136	137	138	143	145	147
Milk-feed price ratio (lb.) <sup>2</sup>	1.37	1.39	1.53	1.50	1.54	1.59	1.84	1.62	1.63	1.61
<b>Stocks, beginning</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	3,844	5,708	8,626	8,626	11,752	11,147	10,662	10,048	9,215	8,730
Commercial (mil. lb.)	3,719	5,299	4,916	4,916	5,709	5,585	5,241	4,973	4,602	4,475
Government (mil. lb.)	124	410	3,710	3,710	6,043	5,562	5,421	5,075	4,613	4,254
Imports, total milk equiv. (mil. lb.) <sup>3</sup>	1,943	1,968	2,303	228	196	171	203	272	396	—
<b>USDA net removals:</b>										
Total milk equiv. (mil. lb.) <sup>3</sup>	1,236	6,080	2,743	554.0	<sup>4</sup> -85.9	<sup>4</sup> -126.8	3.9	<sup>4</sup> -141.8	<sup>4</sup> -61.5	188.3
<b>Butter:</b>										
Production (mil. lb.)	978.6	1,085.6	999.0	108.3	64.2	64.5	71.1	66.7	77.2	—
Stocks, beginning (mil. lb.)	10.9	47.1	184.9	184.9	312.7	282.4	266.6	251.8	228.3	206.9
Wholesale Price, Grade A Chicago (cts./lb.)	92.0	98.4	109.8	100.7	116.7	115.8	115.6	121.1	118.8	111.3
USDA net removals (mil. lb.)	39.4	221.8	112.0	26.0	<sup>4</sup> -6.0	<sup>4</sup> -6.3	0	<sup>4</sup> -7.0	<sup>4</sup> -3.1	9.3
Commercial disappearance (mil. lb.)	919.0	859.8	906.8	65.3	75.1	79.9	73.3	77.6	86.0	—
<b>American Cheese:</b>										
Production (mil. lb.)	2,048.8	2,042.4	2,093.6	163.6	167.5	149.2	159.0	153.5	171.8	—
Stocks, beginning (mil. lb.)	307.8	411.4	422.1	422.1	450.6	451.8	432.5	409.9	382.7	378.8
Wholesale price, Wisconsin assembly Pt. (cts./lb.)	96.3	96.8	107.1	100.1	109.1	110.8	115.5	117.1	119.4	119.5
USDA net removals (mil. lb.)	38.0	148.2	39.7	1.4	3.5	0	0	0	0	0
Commercial disappearance (mil. lb.)	1,920.9	1,958.1	2,090.6	169.5	170.3	169.0	173.9	177.7	180.6	—
<b>Other Cheese:</b>										
Production (mil. lb.)	1,274.1	1,315.5	1,423.0	110.5	117.1	115.7	120.4	122.8	128.3	—
Stocks, beginning (mil. lb.)	60.8	67.1	64.0	64.0	76.2	73.1	79.4	76.1	74.0	78.4
Commercial disappearance (mil. lb.)	1,458.0	1,512.3	1,636.3	121.1	139.8	128.0	144.8	162.7	168.3	—
<b>Nonfat dry milk:</b>										
Production (mil. lb.)	926.2	1,106.0	928.8	79.7	78.6	59.1	49.0	41.9	54.4	—
Stocks, beginning (mil. lb.)	468.9	485.4	677.9	677.9	713.6	701.7	681.5	636.8	601.4	584.7
Wholesale Price, avg. manf. (cts./lb.)	63.4	66.5	71.4	68.1	71.5	72.5	73.2	74.7	76.5	—
USDA net removals (mil. lb.)	157.1	461.7	285.0	29.1	18.8	7.7	6.9	4.9	3.4	3.5
Commercial disappearance (mil. lb.)	719.2	681.6	667.1	50.3	80.2	62.8	54.3	52.6	47.6	—
<b>Frozen dessert Production (mil. gal.)<sup>4</sup></b>	1,154.0	1,147.4	1,159.6	69.5	123.1	103.1	90.6	79.2	71.0	—

<sup>1</sup> Manufacturing grade milk. <sup>2</sup> Pounds of 16% protein ration equal in value to 1 lb. of milk. <sup>3</sup> Milk equivalent, fat-solids basis. <sup>4</sup> Domestic sales exceeded purchases.

<sup>5</sup> Less than 50,000 pounds. <sup>6</sup> Ice cream, ice milk, and sherbet.

## Poultry and eggs:

	Annual			1978						1979
	1976	1977	1978	Jan	Aug	Sept	Oct	Nov	Dec	Jan
<b>Eggs</b>										
Farm Production (mil.)	64,520	64,886	67,155	5,738	5,554	5,478	5,738	5,670	5,922	5,871
Average number of layers on farms (mil.)	274	275	281	286	276	280	285	290	291	291
Rate of lay (eggs per layer)	235	236	239	20.1	20.1	19.5	20.1	19.6	20.3	20.2
<b>Cartoned Price, New York, grade A</b>										
large (cts./doz.) <sup>1</sup>	70.3	63.3	61.7	57.2	62.6	63.8	62.1	68.8	72.6	72.5
Price of laying feed (\$/ton)	151	152	152	147	150	149	150	154	156	157
Egg-feed price ratio (lb.) <sup>2</sup>	7.8	7.3	6.9	6.7	6.9	7.2	7.0	7.4	7.9	7.7
<b>Stocks, beginning of period:</b>										
Shell (thou. cases)	22	28	39	39	29	55	42	23	36	38
Frozen (mil. lb.)	36.3	26.1	29.7	29.7	28.0	28.6	28.6	27.6	25.6	25.3
Replacement chicks hatched (mil.)	492	502	491	36.8	38.6	37.2	37.6	35.5	34.6	39.9
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.)	8,987	9,227	9,883	781.4	930.8	834.0	896.4	779.1	767.3	—
Wholesale price, 9-city, (cts./lb.)	40.2	40.8	44.5	40.2	44.1	44.9	42.0	42.0	42.2	45.8
Price of broiler grower feed (\$/ton)	168	171	169	162	169	168	169	174	174	175
Broiler-feed price ratio (lb.) <sup>2</sup>	2.8	2.7	3.1	2.8	3.2	3.2	2.9	2.8	2.9	3.1
Stocks, beginning of period (mil. lb.)	22.3	32.9	29.4	29.4	22.0	21.1	21.1	22.8	23.2	20.1
Average weekly placements of broiler chicks, 21 States (mil.)	63.6	66.7	71.0	67.7	68.7	65.9	67.1	68.6	70.6	73.9
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.)	1,950	1,892	1,983	181.8	248.8	230.9	271.2	248.9	156.3	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	48.7	54.0	66.7	60.5	68.0	68.7	72.7	78.0	80.6	72.9
Price of turkey grower feed (\$/ton)	174	184	182	177	182	180	183	185	185	189
Turkey-feed price ratio (lb.) <sup>2</sup>	3.7	3.9	4.6	4.3	4.7	4.8	4.9	5.0	5.4	5.0
Stocks, beginning of period (mil. lb.)	195.2	203.4	167.9	167.9	212.7	297.9	370.4	430.1	235.7	175.1
Poults hatched (mil.)	149.5	148.4	157.4	11.8	9.6	5.6	6.4	8.3	10.3	13.8

<sup>1</sup> Price of cartoned eggs to volume buyers for delivery to retailers. <sup>2</sup> Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

# Crops and Products

## Supply and utilization of major crops<sup>1</sup>

	Domestic measure <sup>2</sup>				Metric measure <sup>2</sup>			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
Wheat:								
Area	Mil. acres				Mil. hectares			
Planted	80.2	75.1	66.1	—	32.5	30.3	26.8	—
Harvested	70.8	66.5	56.8	—	28.7	26.8	22.9	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	30.3	30.6	31.6	—	2.1	2.1	2.2	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	665	1,112	1,177	—	18.1	30.3	32.0	—
Production	2,142	2,036	1,799	—	58.3	55.4	49.0	+1 to -1
Imports	3	2	2	—	.1	.1	.1	—
Supply, total	2,810	3,150	2,978	—	76.5	85.7	81.0	+1 to -1
Domestic	748	849	824	+30 to -30	20.4	23.1	22.4	+2 to -2
Exports	950	1,124	1,150	+100 to -100	25.8	30.6	31.3	+3 to -3
Use, total	1,698	1,973	1,974	+125 to -125	46.2	53.7	53.7	+5 to -5
Ending stocks	1,112	1,177	1,004	+125 to -125	30.3	32.0	27.1	+5 to -5
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.73	2.33	2.90-3.00	—	100.31	85.61	107-110	—
Price, Kansas City, No. 1 HRW	2.88	2.72	*3.29	—	105.82	99.94	*120.89	—
Rice:								
Area	Mil. acres				Mil. hectares			
Allotment	1.80	1.80	1.80	—	.73	.73	.73	—
Planted	2.49	2.26	3.08	—	1.01	.91	1.23	—
Harvested	2.48	2.25	3.06	—	1.00	.91	1.23	—
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	4,663	4,412	4,505	—	5.23	4.94	5.06	—
	Mil. cwt.				Mil. metric tons			
Beginning stocks	36.9	40.5	27.4	—	1.7	1.8	1.2	—
Production	115.6	99.2	137.8	—	5.2	4.5	6.3	+2 to -2
Imports	.1	.1	—	—	—	—	—	—
Supply, total	152.6	139.8	165.2	—	6.9	6.3	7.5	—
Domestic	42.7	37.6	44.0	+2.0 to -2.0	1.9	1.7	2.0	+1 to -1
Exports	65.6	72.8	67.0	+5.0 to -5.0	3.0	3.3	3.0	+2 to -2
Use, total	108.3	110.4	111.0	+6.0 to -6.0	4.9	5.0	5.0	+3 to -3
Ending stocks	40.5	27.4	54.2	+6.0 to -6.0	1.8	1.2	2.5	+3 to -3
Difference unaccounted	+3.8	+2.0	—	—	+2	—	—	—
	Dol. per cwt.				Dol. per metric ton			
Price received by farmers	7.02	9.49	7.50-7.80	—	154.76	209.22	165-172	—
Price, long-grain milled, S.W. La.	14.60	21.30	*16.60	—	321.87	469.58	*365.96	—
Feed grains: <sup>5</sup>								
Area	Mil. acres				Mil. hectares			
Planted	128.7	128.9	122.6	—	—	—	—	—
Harvested	106.3	108.2	104.3	—	—	—	—	—
	Metric tons per acre				Metric tons per hectare			
Yield per harvested unit	1.82	1.88	2.08	—	—	—	—	—
	Mil. short tons				Mil. metric tons			
Beginning stocks	—	—	—	—	17.2	29.9	41.2	—
Production	—	—	—	—	193.4	203.4	217.3	+3 to -3
Imports	—	—	—	—	.4	.3	.3	—
Supply, total	—	—	—	—	211.0	233.6	258.8	—
Feed	—	—	—	—	112.6	117.3	126.7	+4 to -4
Food, seed, and industrial uses	—	—	—	—	17.9	18.8	19.6	—
Domestic, total	—	—	—	—	130.5	136.1	146.3	+4 to -4
Exports	—	—	—	—	50.6	56.3	55.9	+3 to -3
Use, total	—	—	—	—	181.1	192.4	202.2	+6 to -6
Ending stocks	—	—	—	—	29.9	41.2	56.6	+6 to -6

See footnotes at end of table.

Supply and utilization of major crops<sup>1</sup>—Continued

	Domestic measure <sup>2</sup>				Metric measure <sup>2</sup>			
		1978/79				1978/79		
	1976/77	1977/78 estimated	Projected	Probable* variability	1976/77	1977/78 estimated	Projected	Probable* variability
<b>Corn:</b>								
		Mil. acres				Mil. hectares		
Area								
Planted	84.4	83.6	79.7	—	34.2	33.5	31.8	—
Harvested	71.3	70.9	70.0	—	28.9	28.3	27.6	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit	87.9	90.7	101.2	—	5.51	5.71	6.03	—
		Mil. bu.				Mil. metric tons		
Beginning stocks	399	884	1,104	—	10.0	22.5	28.0	—
Production	6,266	6,425	7,082	—	159.2	163.2	179.9	+4 to -4
Imports	3	3	1	—	.1	( <sup>6</sup> )	( <sup>6</sup> )	—
Supply, total	6,668	7,312	8,187	—	169.4	185.7	207.9	—
Feed	3,587	3,709	4,000	+150 to -150	91.1	94.2	101.6	+5 to -5
Food, seed, and industrial uses	613	551	575	—	13.0	14.0	14.6	—
Domestic, total	4,100	4,260	4,575	+150 to -150	104.1	107.8	117.4	+5 to -5
Exports	1,684	1,948	1,950	+100 to -100	42.8	49.5	49.5	+4 to -4
Use, total	5,784	6,208	6,525	+200 to -200	146.9	157.7	165.7	+8 to -8
Ending stocks	884	1,104	1,662	+200 to -200	22.5	28.0	42.2	+6 to -6
		Dol. per bu.				Dol. per metric ton		
Price received by farmers	2.15	<sup>3</sup> 2.02	2.05-2.15	—	84.64	<sup>3</sup> 79.92	81-85	—
Price, Chi., No. 2 Yellow	2.30	2.26	<sup>4</sup> 2.26	—	90.55	88.97	<sup>4</sup> 88.97	—
<b>Soybeans:</b>								
		Mil. acres				Mil. hectares		
Area								
Planted	50.2	58.8	64.0	—	20.3	23.8	25.9	—
Harvested	49.4	57.6	63.0	—	20.0	23.3	25.5	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit	26.1	30.6	29.2	—	1.76	2.06	1.96	—
		Mil. bu.				Mil. metric tons		
Beginning stocks	245	103	161	—	6.7	2.8	4.4	—
Production	1,288	1,762	1,843	—	35.1	48.0	50.2	—
Supply, total	1,533	1,865	2,004	—	41.7	50.8	54.5	—
Crushings	790	927	1,000	+40 to -40	21.5	25.2	27.2	+1.1 to -1.1
Exports	564	700	775	+40 to -20	15.3	19.1	21.1	+1.1 to -1.1
Seed, feed, and residual	76	77	79	—	2.1	2.1	2.1	—
Use, total	1,430	1,704	1,854	+50 to -50	38.9	46.4	50.5	+1.4 to -1.4
Ending stocks	103	161	150	+25 to -25	2.8	4.4	4.1	+7 to -7
		Dol. per bu.				Dol. per metric ton		
Price received by farmers	6.81	5.88	6.50	+30 to -30	250	216	239	+11 to -11
Price, Chi., No. 1 Yellow	7.36	6.11	<sup>4</sup> 6.71	—	270.43	224.50	<sup>4</sup> 246.55	—
<b>Soybean oil:</b>								
		Mil. lb.				Thou. metric tons		
Beginning stocks	1,251	767	729	—	567	348	331	—
Production	8,578	10,288	10,901	+400 to -400	3,891	4,667	4,945	+180 to -180
Supply, total	9,829	11,055	11,630	+400 to -400	4,458	5,015	5,275	+180 to -180
Domestic	7,515	8,269	8,700	+400 to -400	3,409	3,751	3,946	+180 to -180
Exports	1,547	2,057	1,850	+300 to -300	702	933	8,139	+140 to -140
Use, total	9,062	10,326	10,550	+400 to -400	4,111	4,684	4,785	+180 to -180
Ending stocks	767	729	1,080	+200 to -200	348	331	490	+90 to -90
		Cts. per lb.				Cts. per kilogram		
Price, crude, Decatur	24	24.6	26	+3 to -3	52.9	54.2	57.3 <sup>5</sup>	+6.5 to -6.5
<b>Soybean meal:</b>								
		Thou. short tons				Thou. metric tons		
Beginning stocks	355	228	243	—	322	207	220	—
Production	18,488	22,371	23,752	+1,000 to -1,000	16,772	20,295	21,547	+900 to -900
Supply, total	18,843	22,599	23,995	+1,000 to -1,000	17,094	20,501	21,768	+900 to -900
Domestic	14,056	16,276	17,400	+800 to -800	12,751	14,765	15,785	+725 to -725
Exports	4,559	6,080	6,250	+400 to -400	4,136	5,516	5,670	+365 to -365
Use, total	18,615	22,356	23,650	+1,000 to -1,000	16,887	20,281	21,455	+900 to -900
Ending stocks	228	243	345	+75 to -75	207	220	313	+70 to -70
		Dol. per short ton				Dol. per metric ton		
Price, bulk, Decatur, 44%	199.80	164.20	180.00	+20 to -20	220	181	198	+20 to -20
See footnotes at end of table.								

See footnotes at end of table.

# Supply and utilization of major crops<sup>1</sup>—Continued

	Domestic measure <sup>2</sup>				Metric measure <sup>3</sup>			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
<b>Cotton:<sup>7</sup></b>								
		Mil. acres				Mil. hectares		
Area								
Planted	11.7	13.7	13.4	—	4.7	5.5	5.4	—
Harvested	10.9	13.3	12.4	—	4.4	5.4	5.0	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit	465	520	421	—	.52	.58	.47	—
		Mil. 480 lb. bales				Mil. metric tons		
Beginning stocks <sup>8</sup>	3.7	2.9	5.3	—	.8	.6	1.2	—
Production	10.6	14.4	10.8	+2 to -2	2.3	3.1	2.4	( <sup>6</sup> )
Supply, total <sup>9</sup>	14.3	17.3	16.2	+2 to -2	3.1	3.8	3.6	( <sup>6</sup> )
Mill use	6.7	6.5	6.3	+2 to -2	1.5	1.4	1.4	( <sup>6</sup> )
Exports	4.8	5.5	6.0	+5 to -5	1.0	1.2	1.3	+1 to -1
Use, total	11.5	12.0	12.3	+5 to -5	2.5	2.6	2.7	+1 to -1
Difference unaccounted <sup>10</sup>	.1	( <sup>6</sup> )	.2	—	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )
Ending stocks	<sup>2</sup> 2.9	<sup>2</sup> 5.3	4.1	+5 to -5	<sup>2</sup> .6	<sup>2</sup> 1.2	.9	+1 to -1
		Cts. per lb.				Cts. per kilogram		
Price received by farmers	64.1	52.3	<sup>11</sup> 60.5	—	141.3	115.3	<sup>11</sup> 133.4	—
Price, SLM, 1-1/16 in., spot	70.9	52.7	—	—	156.3	116.2	—	—

<sup>1</sup> Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. <sup>2</sup> Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. <sup>3</sup> Season average estimate. <sup>4</sup> Average for beginning of marketing year through January 1979. <sup>5</sup> Corn, sorghum, oats, and barley. <sup>6</sup> Less than 0.05. <sup>7</sup> Upland and extra long staple. <sup>8</sup> Based on Census Bureau data. <sup>9</sup> Includes imports. <sup>10</sup> Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. <sup>11</sup> Average to Jan. 1, 1979.

\*Reflects the "root mean square error" and/or "standard error of estimate" from trend and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

## Feed grains:

	Marketing year <sup>1</sup>			1978						1979
	1975/76	1976/77	1977/78	Jan	Aug	Sept	Oct	Nov	Dec	Jan
<b>Wholesale prices:</b>										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.75	2.30	2.26	2.19	2.17	2.13	2.22	2.28	2.27	2.28
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.46	3.49	3.54	3.37	3.41	3.43	3.61	3.67	3.64	3.71
Barley, feed, Minneapolis (\$/bu.)	2.38	2.35	1.68	1.65	1.68	1.77	1.81	1.88	1.79	1.71
Barley, malting, Minneapolis (\$/bu.) <sup>2</sup>	3.52	3.13	2.27	2.26	2.19	2.37	2.26	2.47	2.40	2.30
<b>Exports:</b>										
Corn (mil. bu.)	1,711	1,684	1,948	128	181	177	140	154	160	*126
Feed grains (mil. metric tons) <sup>3</sup>	50.0	50.6	56.3	3.3	5.2	4.8	3.9	4.4	4.6	*3.7
	Marketing year <sup>1</sup>			1977		1978				1979
	1975/76	1976/77	1977/78	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar
<b>Corn:</b>										
Stocks, beginning (mil. bu.)	361	399	884	2,365	884	5,503	3,877	2,837	1,104	6,197
<b>Domestic use:</b>										
Feed (mil. bu.)	3,592	3,587	3,697	800	1,266	1,083	568	792	1,403	—
Food, seed, ind. (mil. bu.)	490	513	548	177	123	129	102	197	132	—
<b>Feed grains:<sup>3</sup></b>										
Stocks, beginning (mil. metric tons)	15.3	17.2	29.9	70.2	43.4	170.9	120.3	88.4	52.7	190.3
<b>Domestic use:</b>										
Feed (mil. metric tons)	116.1	112.6	117.0	25.7	39.1	33.8	17.4	27.0	44.2	—
Food, seed, ind. (mil. metric tons)	17.1	17.9	18.8	5.9	4.1	4.4	4.0	6.5	4.3	—

<sup>1</sup> Beginning October 1 for corn and sorghum; June 1 for oats and barley. <sup>2</sup> No. 3 or better, 65% or better plump beginning October 1977. <sup>3</sup> Aggregated data for corn, sorghum, oats, and barley. \*Based on Inspections for Export. p Preliminary.

## Food grains:

	Marketing year <sup>1</sup>			1978						1979
	1975/76	1976/77	1977/78	Jan	Aug	Sept	Oct	Nov	Dec	Jan
<b>Wholesale Prices:</b>										
Wheat, No. 1 HRW, Kansas City (\$/bu.) <sup>2</sup>	3.74	2.88	2.72	2.82	3.14	3.24	3.42	3.48	3.39	3.42
Wheat, DNS, Minneapolis (\$/bu.) <sup>2</sup>	3.74	2.96	2.66	2.73	2.96	3.07	3.21	3.32	3.15	3.12
Flour, Kansas City (\$/cwt.)	9.25	7.21	6.60	6.99	7.58	7.55	7.60	7.92	7.79	7.55
Flour, Minneapolis (\$/cwt.)	10.41	8.34	7.34	7.59	7.94	7.82	7.90	8.40	8.14	7.81
Rice, S.W. La. (\$/cwt.) <sup>3</sup>	17.20	14.60	21.30	24.00	18.75	15.75	16.15	16.26	16.40	16.30
<b>Wheat:</b>										
Exports (mil. bu.)	1,173	950	1,124	68	139	127	120	95	93	—
Mill grind (mil. bu.)	601	628	616	48	56	51	55	53	—	—
Wheat flour production (mil. cwt.)	258	275	276	22	25	22	25	24	—	—

	Marketing year <sup>1</sup>			1977			1978			
	1975/76	1976/77	1977/78	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
<b>Wheat:</b>										
Stocks, beginning (mil. bu.)	435	665	1,112	1,390	1,112	2,400	1,994	1,528	1,177	2,137
<b>Domestic use:</b>										
Food (mil. bu.)	588	588	586	88	193	154	146	94	192	157
Feed and seed (mil. bu.) <sup>4</sup>	134	160	264	39	174	28	42	19	154	41
Exports (mil. bu.)	1,173	950	1,124	152	382	225	279	238	493	309

<sup>1</sup> Beginning June 1 for wheat and August 1 for rice. <sup>2</sup> Ordinary protein. <sup>3</sup> Long-grain, milled basis. <sup>4</sup> Feed use approximated by residual.

## Vegetables:

	Annual			1978						1979
	1976	1977	1978	Jan	Aug	Sept	Oct	Nov	Dec	Jan
<b>Wholesale prices:</b>										
Potatoes, white, f.o.b. East (\$/cwt.)	5.90	5.52	5.20	4.02	4.87	3.89	4.35	4.50	4.46	5.02
Iceberg lettuce (\$/cwt.) <sup>1</sup>	3.57	3.23	5.10	5.68	2.79	3.40	3.60	4.07	5.92	9.10
Tomatoes (\$/cwt.) <sup>2</sup>	6.44	7.21	6.65	7.27	3.97	4.38	4.15	6.94	6.00	8.34
<b>Wholesale price index, 10 canned</b>										
veg. (1967=100)	160	170	175	167	179	181	186	186	186	186
<b>Grower price index, fresh commercial</b>										
veg. (1967=100)	170	197	212	207	172	179	172	180	213	265

<sup>1</sup> Std. carton 24's, f.o.b. shipping point. <sup>2</sup> 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

## Fruit:

	Annual			1978						1979
	1976	1977	1978	Jan	Aug	Sept	Oct	Nov	Dec	Jan
<b>Wholesale Price indexes:</b>										
Fresh fruit (1967=100)	160.4	177.5	217.6	177.6	242.3	241.2	265.6	230.5	219.7	201.0
Dried fruit (1967=100)	234.9	338.4	355.3	285.8	307.1	317.5	472.3	574.3	575.4	579.3
Canned fruit and juice (1967=100)	174.4	190.4	213.9	202.7	216.9	220.0	222.3	227.9	231.2	231.7
Frozen fruit and juice (1967=100)	156.2	196.5	232.0	228.6	230.1	230.6	231.3	238.7	246.2	246.2
<b>F.o.b. shipping point prices:</b>										
Apples, Yakima Valley (\$/cwt.) <sup>1</sup>	7.46	9.11	n.a.	9.50	—	10.20	9.19	9.96	10.00	10.13
Pears, Yakima Valley (\$/box) <sup>2</sup>	7.35	6.94	n.a.	8.64	—	—	8.83	9.00	9.00	9.13
Oranges, U.S. avg. (\$/box)	6.72	7.60	10.72	10.49	13.40	14.50	14.30	11.23	11.63	12.23
Grapefruit, U.S. avg. (\$/box)	5.76	6.27	6.46	6.19	10.40	13.60	9.42	6.91	6.22	6.56
<b>Stocks, beginning:</b>										
Fresh apples (mil. lb.)	<sup>3</sup> 2,569.3	<sup>3</sup> 2,249.0	<sup>3</sup> 2,138.0	2,138.0	13.9	11.5	1,445.5	3,449.2	3,225.8	2,614.8
Fresh pears (mil. lb.)	<sup>3</sup> 162.3	<sup>3</sup> 211.6	<sup>3</sup> 162.1	162.1	4.2	53.6	494.5	280.2	228.1	195.3
Frozen fruit (mil. lb.)	<sup>3</sup> 558.3	<sup>3</sup> 538.9	<sup>3</sup> 607.8	607.8	530.0	552.2	569.7	600.6	547.0	520.4
Frozen fruit juices (mil. lb.)	<sup>3</sup> 967.0	<sup>3</sup> 844.1	<sup>3</sup> 613.0	613.0	1,061.7	962.2	784.8	704.6	580.7	714.3

<sup>1</sup> Red Delicious, Washington extra fancy, carton tray pack, 80-125's. <sup>2</sup> D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's. <sup>3</sup> Stocks as of January 1 of year listed.

**Cotton:**

	Marketing year <sup>1</sup>			1978						1979
	1975/76	1976/77	1977/78	Jan	Aug	Sept	Oct	Nov	Dec	Jan
U.S. price, SLM, 1-1/16 in. (cts./lb.) <sup>2</sup>	58.0	70.9	52.7	51.1	59.8	60.0	64.1	65.7	64.4	61.5
Northern Europe prices:										
Index (cts./lb.) <sup>3</sup>	65.3	81.7	70.6	64.1	73.2	74.0	76.9	79.4	79.2	77.0
U.S., SM 1-1/16 in. (cts./lb.) <sup>4</sup>	71.4	82.4	66.0	64.8	74.5	75.1	77.8	79.4	79.3	76.0
U.S. mill consumption (thou. bales)	7,227.7	6,674.4	6,462.5	513.0	478.6	592.7	501.7	618.4	457.9	—
Exports (thou. bales)	3,311.3	4,783.6	5,484.1	546.4	553.2	410.3	298.3	374.3	489.6	—

<sup>1</sup> Beginning August 1. <sup>2</sup> Average spot market. <sup>3</sup> Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. <sup>4</sup> Memphis territory growths.

**Fats and oils:**

	Marketing year <sup>1</sup>			1978						1979
	1974/75	1975/76	1976/77	Jan	Aug	Sept	Oct	Nov	Dec	Jan
<b>Soybeans:</b>										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	6.34	5.25	7.36	5.65	6.43	6.47	6.76	6.66	6.79	6.85
Crushings (mil. bu.)	701.3	865.1	790.2	85.3	73.9	71.4	89.3	89.6	96.3	90.6
Processing margin (\$/bu.) <sup>2</sup>	.17	.16	.19	.28	.32	.52	.41	.25	.43	.43
Exports (mil. bu.)	420.7	555.1	564.1	52.6	39.3	38.0	87.6	101.7	70.6	—
<b>Soybean oil:</b>										
Wholesale price, crude, Decatur (cts./lb.)	30.7	18.3	23.9	21.0	26.3	27.8	27.2	24.9	25.8	25.8
Production (mil. lb.)	7,375.3	9,629.8	8,577.9	911.9	815.8	783.3	984.3	974.8	1,049.3	—
Domestic disappearance (mil. lb.)	6,518.1	7,906.1	7,454.4	735.2	733.6	626.1	785.9	779.9	719.7	—
Exports (mil. lb.)	1,028.3	975.8	1,547.5	122.1	125.6	206.0	113.5	171.2	196.9	—
Stocks, beginning (mil. lb.)	793.5	560.6	1,250.6	859.2	820.8	777.5	728.6	813.4	837.1	969.8
<b>Soybean meal:</b>										
Wholesale price, 44% protein, Decatur (\$/ton)	130.86	147.77	199.80	162.20	162.90	163.90	176.80	177.10	188.75	184.75
Production (thou. ton)	16,701.5	20,754.2	18,488.1	2,006.7	1,757.9	1,894.6	2,114.7	2,099.2	2,292.2	2,157.4
Domestic disappearance (thou. ton)	12,501.3	15,551.6	14,000.8	1,381.5	1,315.8	1,263.1	1,640.6	1,625.3	1,472.0	—
Exports (thou. ton)	4,298.8	5,144.8	4,559.2	1,155.4	470.6	422.7	477.5	507.5	737.0	—
Stocks, beginning (thou. ton)	507.3	358.3	354.9	245.1	262.6	234.1	242.9	239.5	205.9	289.1
Margarine, wholesale price, Chicago (cts./lb.)	44.3	37.9	31.4	34.5	45.7	48.2	47.8	48.4	46.5	48.4

<sup>1</sup> Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. <sup>2</sup> Spot basis, Illinois shipping points.

**Sugar:**

	Annual			1978						1979
	1976	1977	1978	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Wholesale price, N.Y. (\$/cwt.) <sup>1</sup>	13.31	<sup>3</sup> 10.99	—	—	—	—	—	—	—	—
U.S. deliveries (thou. short tons) <sup>1 2</sup>	10,856	11,207	10,800	764	1,109	1,014	888	849	<sup>4</sup> 799	<sup>4</sup> 870

<sup>1</sup> Raw value. <sup>2</sup> Excludes Hawaii. <sup>3</sup> Ten month average. <sup>4</sup> Preliminary.

**Tobacco:**

	Annual			1978						1979
	1976	1977	1978	Jan	Aug	Sept	Oct	Nov	Dec	Jan
<b>Prices at auctions:</b>										
Flue-cured (cts./lb.) <sup>1</sup>	110.4	117.6	135.2	—	131.8	141.2	135.5	124.9	—	—
Burley (cts./lb.) <sup>1</sup>	114.2	120.0	<sup>3</sup> 131.1	121.1	—	—	—	132.8	131.2	129.2
<b>Domestic consumption<sup>2</sup></b>										
Cigarettes (bil.)	617.1	592.0	<sup>3</sup> 614.2	48.4	54.3	50.3	53.4	53.7	42.1	—
Large cigars (mil.)	5,266	4,829	<sup>3</sup> 4,706	364.0	378.0	427.5	446.4	408.7	352.7	—

<sup>1</sup> Crop year July-June for flue-cured, October-September for burley. <sup>2</sup> Taxable removals. <sup>3</sup> Subject to revision.

**Coffee:**

	Annual			1978						1979
	1976	1977	1978p	Jan	Aug	Sept	Oct	Nov	Dec p	Jan p
Composite green price, N.Y. (cts./lb.)	142.48	256.38	162.32	200.11	143.77	156.23	156.13	151.87	142.66	139.42
Imports, green bean equivalent (mil. lb.) <sup>1</sup>	2,717	1,974	2,448	268	149	182	259	234	228	<sup>2</sup> 250
	Annual			1977		1978p				1979
	1976	1977	1978	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec p	Jan-Mar
Roastings (mil. lb.) <sup>2</sup>	2,519	1,892	2,156	313	522	591	470	500	595	<sup>2</sup> 630

<sup>1</sup> Green and Processed coffee. <sup>2</sup> Instant soluble and roasted coffee. p Preliminary. <sup>3</sup> Forecast.

# General Economic Data

## Gross national product and related data

	Annual			1977				1978			
	1976	1977	1978	I	II	III	IV	I	II	III	IV
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product <sup>1</sup> .....	1,700.1	1,887.2	2,106.9	1,806.8	1,867.0	1,916.8	1,958.1	1,992.0	2,087.5	2,136.1	2,212.1
Personal consumption expenditures .....	1,090.2	1,206.5	1,340.4	1,167.7	1,188.6	1,214.5	1,255.2	1,276.7	1,322.9	1,356.9	1,405.1
Durable goods .....	156.6	178.4	197.5	173.2	175.6	177.4	187.2	183.5	197.8	199.5	209.2
Nondurable goods .....	442.6	479.0	526.5	465.9	473.6	479.7	496.9	501.4	519.3	531.7	553.5
Clothing and shoes .....	75.7	81.5	89.0	78.5	79.3	81.4	86.7	82.9	87.5	90.5	95.2
Food and beverages .....	225.8	245.2	269.4	237.5	244.5	246.4	252.6	257.7	267.8	272.0	280.1
Services .....	491.0	549.2	616.4	528.6	539.4	557.5	571.1	591.8	605.8	625.8	642.5
Gross private domestic investment .....	243.0	297.8	344.6	272.5	295.6	309.7	313.5	322.7	345.4	350.1	360.1
Fixed investment .....	232.8	282.3	329.1	262.2	278.6	287.8	300.5	306.0	325.3	336.5	348.6
Nonresidential .....	164.6	190.4	222.1	180.6	187.2	193.5	200.3	205.6	220.1	227.5	235.2
Residential .....	68.2	91.9	107.0	81.6	91.4	94.3	100.2	100.3	105.3	109.0	113.3
Change in business inventories .....	10.2	15.6	15.5	10.3	17.0	21.9	13.1	16.7	20.1	13.6	11.6
Net exports of goods and services .....	7.4	-11.1	-12.0	-8.5	-5.9	-7.0	-23.2	-24.1	-5.5	-10.7	-7.8
Exports .....	163.2	175.5	204.8	170.9	178.1	180.8	172.1	181.7	205.4	210.1	222.0
Imports .....	155.7	186.6	218.8	179.4	184.0	187.8	195.2	205.8	210.9	220.8	229.7
Government purchases of goods and services .....	359.5	394.0	434.0	375.0	388.8	399.5	412.5	416.7	424.7	439.8	454.6
Federal .....	129.9	145.1	153.7	138.3	142.9	146.8	152.2	151.5	147.2	154.0	162.3
State and local .....	229.6	248.9	280.2	236.7	245.9	252.7	260.3	265.2	277.6	285.8	292.3
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product .....	1,271.0	1,332.7	1,385.3	1,306.7	1,325.5	1,343.9	1,354.5	1,354.2	1,382.6	1,391.4	1,413.0
Personal consumption expenditures .....	819.4	857.7	891.9	846.6	849.5	858.0	876.6	873.5	886.3	895.1	912.6
Durable goods .....	125.9	137.8	144.6	134.9	136.2	136.9	143.0	137.8	145.8	144.8	150.1
Nondurable goods .....	320.2	330.4	339.6	327.1	327.2	329.2	338.1	333.3	336.3	340.4	348.6
Clothing and shoes .....	64.2	66.6	70.9	64.9	65.1	66.2	70.2	66.8	69.5	71.8	75.2
Food and beverages .....	158.8	165.1	165.4	163.3	164.7	164.9	167.6	165.6	164.7	164.8	166.5
Services .....	373.2	389.5	407.6	384.6	386.0	391.8	395.6	402.4	404.2	410.0	413.8
Gross private domestic investment .....	173.4	196.3	210.0	186.1	197.1	201.7	200.3	205.7	213.1	210.4	210.9
Fixed investment .....	166.8	187.4	199.7	180.3	187.1	189.5	192.8	193.4	200.4	201.4	203.9
Nonresidential .....	118.9	129.8	139.9	126.8	129.1	130.8	132.5	133.8	140.5	141.7	143.7
Residential .....	47.8	57.7	59.8	53.5	58.0	58.8	60.3	59.5	59.9	59.7	60.2
Change in business inventories .....	6.7	8.9	10.3	5.8	10.0	12.2	7.5	12.3	12.7	9.0	7.0
Net exports of goods and services .....	15.4	9.5	8.4	11.2	11.0	12.5	3.1	2.9	11.3	9.2	10.1
Exports .....	95.9	98.2	107.1	97.1	98.9	100.8	96.0	99.1	108.4	109.0	111.7
Imports .....	80.5	88.7	98.7	85.9	87.9	88.2	92.9	96.2	97.1	99.7	101.6
Government purchases of goods and services .....	262.8	269.2	275.0	262.8	267.9	271.7	274.5	272.1	271.9	276.7	279.5
Federal .....	96.6	101.6	100.3	98.7	101.3	102.9	103.6	101.2	97.1	100.4	102.4
State and local .....	166.2	167.6	174.7	164.1	166.6	168.8	170.9	170.8	174.8	176.3	177.1
New plant and equipment expenditures (\$ bil.) .....	120.49	135.80	153.09	130.16	134.24	140.38	138.11	144.25	150.76	155.41	161.24
Implicit price deflator for GNP (1972=100) .....	133.76	141.61	152.09	138.27	140.86	142.63	144.56	147.10	150.98	153.52	156.66
Disposable income (\$bil.) .....	1,184.4	1,303.0	1,451.4	1,248.0	1,285.3	1,319.1	1,359.6	1,391.6	1,433.3	1,468.4	1,512.3
Disposable income (1972 \$bil.) .....	890.1	926.3	965.8	904.8	918.6	931.9	949.6	952.1	960.3	968.7	982.2
Per capita disposable income (\$)	5,504	6,009	6,641	5,772	5,934	6,077	6,250	6,387	6,566	6,712	6,898
Per capita disposable income (1972 \$)	4,136	4,271	4,419	4,185	4,241	4,293	4,365	4,370	4,399	4,428	4,480
U.S. population, tot. incl. military abroad (mil.) .....	215.1	216.8	218.5	216.2	216.6	217.1	217.5	217.9	218.3	218.8	219.2
Civilian population (mil.) .....	213.0	214.7	216.4	214.1	214.5	214.9	215.4	215.8	216.2	216.6	217.1

See footnotes at end of next table.

# Selected monthly indicators

	Annual			1978							1979
	1976	1977	1978p	Jan	Aug	Sept	Oct	Nov	Dec	Jan	
Monthly data seasonally adjusted except as noted											
Industrial production, total <sup>1</sup> (1967=100) . . . . .	129.8	137.1	145.1	138.8	147.1	147.8	148.7	149.5p	150.5p	150.7p	
Manufacturing (1967=100) . . . . .	129.5	137.1	145.6	138.7	147.6	148.7	149.5	150.4p	151.5p	151.6p	
Durable (1967=100) . . . . .	121.7	129.5	139.3	131.1	142.1	142.8	144.0	144.9	146.4p	146.2p	
Nondurable (1967=100) . . . . .	140.9	148.1	154.7	149.8	155.6	156.7	157.4	158.4p	158.9p	159.7p	
Leading economic indicators <sup>1, 2</sup> (1967=100) . . . . .	124.7	130.9	137.0	134.4	137.2	138.3	138.8	138.2	138.1	136.5p	
Employment <sup>3</sup> (Mil. persons) . . . . .	87.5	90.5	94.4	92.9	94.7	95.0	95.2	95.8	95.9	96.3	
Unemployment rate <sup>4</sup> (%) . . . . .	7.7	7.0	6.0	6.3	5.9	5.9	5.8	5.8	5.9	5.8	
Personal income <sup>5</sup> (\$bil. annual rate) . . . . .	1,380.9	1,529.0	1,707.6	1,615.5	1,731.1	1,744.7	1,768.4	1,785.8p	1,807.6p	1,815.4p	
Hourly earnings in manufacturing <sup>6</sup> (\$) . . . . .	5.22	5.67	6.16	5.97	6.16	6.28	6.32	6.38	6.47	6.47p	
Money stock (daily average) <sup>7</sup> (\$bil.) . . . . .	313.8	338.7	361.5	341.9	357.0	361.1	361.6	361.0	361.5	360.0p	
Time and savings deposits (daily average) <sup>8</sup> (\$bil.) . . . . .	489.2	544.4	611.4	550.0	587.5	593.7	597.9	608.8	611.4	616.0p	
Three-month Treasury bill rate <sup>9</sup> (%) . . . . .	4.989	5.265	7.221	6.448	7.036	7.836	8.132	8.787	9.122	9.346p	
Aaa corporate bond yield (Moody's) <sup>10</sup> (%) . . . . .	8.43	8.02	8.73	8.41	8.69	8.69	8.89	9.03	9.16	9.25p	
Interest rate on new home mortgages <sup>11</sup> (%) . . . . .	8.99	9.01	9.54	9.15	9.70	9.73	9.83	9.87	10.02	10.19p	
Housing starts, private (including farm) (thou.) . . . . .	1,537.5	1,987.1	2,019.5	1,744	2,004	2,024	2,054	2,107	2,062p	1,656p	
Auto sales at retail, total <sup>12</sup> (mil.) . . . . .	10.1	11.2	—	10.1	11.9	10.8	11.1	11.0	11.2p	—	
Business sales, total <sup>13</sup> (\$bil.) . . . . .	200.8	223.8	253.1	230.3	258.3	258.3	265.3	268.3	271.1p	—	
Business inventories, total <sup>14</sup> (\$bil.) . . . . .	309.2	334.8	373.8	337.7	362.8	364.7	367.4	371.5	373.8p	—	
Sales of all retail stores (\$bil.) <sup>15</sup> . . . . .	53.5	59.0	65.0	60.0	65.9	66.3	67.4	68.6	69.4p	69.7p	
Durable goods stores (\$bil.) . . . . .	17.5	19.9	22.2	19.9	22.9	22.8	23.6	23.9	24.1p	23.5p	
Nondurable goods stores (\$bil.) . . . . .	36.0	39.1	42.8	40.1	43.0	43.5	43.8	44.7	45.4p	45.8p	
Food stores (\$bil.) . . . . .	12.2	13.0	14.3	13.6	14.4	14.6	14.7	14.9	15.2p	15.4p	
Eating and drinking places (\$bil.) . . . . .	4.8	5.3	5.9	5.4	6.0	6.1	6.1	6.0	6.2p	6.2p	
Apparel and accessory stores (\$bil.) . . . . .	2.8	2.8	3.1	2.7	3.1	3.2	3.1	3.6	3.3p	3.3p	

<sup>1</sup> Department of Commerce. <sup>2</sup> Board of Governors of the Federal Reserve System. <sup>3</sup> Composite index of 12 leading indicators. <sup>4</sup> Department of Labor, Bureau of Labor Statistics. <sup>5</sup> Not seasonally adjusted. <sup>6</sup> December of the year listed. <sup>7</sup> Moody's Investors Service. <sup>8</sup> Federal Home Loan Bank Board. <sup>9</sup> Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

## U.S. Agricultural Trade

### Prices of principal U.S. agricultural trade products.

	Annual			1978							1979
	1976	1977	1978	Jan	Aug	Sept	Oct	Nov	Dec	Jan	
Export commodities:											
Wheat, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	3.65	2.85	3.56	3.25	3.53	3.64	3.81	3.84	3.78	3.81	
Corn, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	2.91	2.49	2.66	2.57	2.43	2.45	2.50	2.59	2.58	2.76	
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	2.73	2.30	2.48	2.35	2.32	2.29	2.44	2.51	2.51	2.54	
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	6.07	7.38	7.04	6.24	6.81	7.05	7.15	6.97	7.13	7.40	
Soybean oil, Decatur (cts./lb.) . . . . .	18.05	23.69	25.79	20.91	26.31	27.80	27.17	24.91	25.84	25.76	
Soybean meal, Decatur (\$/ton) . . . . .	155.82	192.17	170.71	162.20	162.90	163.90	176.80	177.10	188.75	184.90	
Cotton, 10 market avg. spot (cts./lb.) . . . . .	67.70	60.48	58.31	51.05	59.86	60.04	64.08	65.65	64.39	61.48	
Tobacco, avg. price of auction (cts./lb.) . . . . .	105.73	114.24	121.74	117.76	124.00	131.60	127.30	128.20	129.20	130.40	
Rice, f.o.b. mill, Houston (\$/cwt.) . . . . .	16.17	16.96	20.61	25.00	19.00	16.50	16.60	16.20	16.35	16.30	
Inedible tallow, Chicago (cts./lb.) . . . . .	13.27	13.61	15.89	13.62	16.25	16.25	17.30	18.06	—	—	
Import commodities:											
Coffee, N.Y. spot (cts./lb.) . . . . .	1.42	2.41	1.66	2.09	1.41	1.55	1.55	1.50	1.40	1.35	
Sugar, N.Y. spot (cts./lb.) . . . . .	13.31	10.99	13.92	13.28	13.29	14.40	15.17	14.23	14.25	14.63	
Cow meat, f.o.b. port of entry (cts./lb.) . . . . .	71.69	68.42	97.17	77.81	91.86	101.80	108.38	109.75	116.56	127.93	
Rubber, N.Y. spot (cts./lb.) . . . . .	39.59	41.59	50.19	43.51	52.21	55.05	57.69	58.97	65.70	54.60	
Cocoa beans, N.Y. (\$/lb.) . . . . .	.94	1.72	1.53	1.31	1.51	1.69	1.70	1.80	1.75	1.63	
Bananas, f.o.b. port of entry (\$/40-lb. box) . . . . .	4.67	5.01	5.20	4.65	4.39	4.58	4.64	4.85	5.32	4.98	
Canned Danish hams, ex-warehouse N.Y. (\$/lb.) . . . . .	1.75	1.85	2.02	2.07	1.99	1.99	2.01	2.17	2.09	2.09	
Quantity Indices											
Export (1967=100) . . . . .	174	177	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Import (1967=100) . . . . .	138	138	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Unit Value Indices											
Export (1967=100) . . . . .	207	210	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Import (1967=100) . . . . .	217	235	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	

n.a. not available.

## U.S. agricultural exports

	October-December				December			
	1977	1978	1977	1978	1977	1978	1977	1978
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals live, excl. poultry . . . . .	—	—	33,981	49,915	—	—	13,330	15,647
Meat and preps., excl. poultry (mt) . . . . .	104	108	159,276	214,783	39	32	60,456	67,553
Dairy products, excl. eggs . . . . .	—	—	35,208	23,048	—	—	15,011	6,509
Poultry and poultry products . . . . .	—	—	84,772	92,899	—	—	31,926	30,203
Grains and preparations . . . . .	—	—	2,065,368	2,740,833	—	—	843,485	933,405
Wheat and wheat flour (mt) . . . . .	5,979	8,253	668,835	1,128,958	2,447	2,482	283,258	345,657
Rice, milled (mt) . . . . .	536	600	178,542	238,282	189	258	65,492	92,466
Feed grains (mt) . . . . .	12,355	12,877	1,148,099	1,305,411	4,765	4,535	468,718	467,178
Other . . . . .	—	—	69,892	68,182	—	—	26,017	28,104
Fruits, nuts, and preparations . . . . .	—	—	330,466	404,947	—	—	103,355	106,738
Vegetables and preparations . . . . .	—	—	147,432	201,605	—	—	55,721	67,917
Sugar and preps., incl. honey . . . . .	—	—	14,313	16,193	—	—	5,930	5,480
Coffee, tea, cocoa, spices, etc. (mt) . . . . .	13	21	34,570	63,085	5	8	12,100	19,624
Feeds and fodders . . . . .	—	—	351,546	509,390	—	—	128,722	210,504
Protein meal (mt) . . . . .	1,221	1,675	229,031	352,743	488	687	89,640	148,199
Beverages, incl. distilled alcoholic (hl) . . . . .	76	87	2,747	3,390	40	25	1,442	982
Tobacco, unmanufactured (mt) . . . . .	77	122	329,395	555,781	46	39	202,783	182,764
Hides, skins, and furskins . . . . .	—	—	169,410	253,082	—	—	66,422	119,349
Oilseeds . . . . .	—	—	1,515,032	2,112,460	—	—	418,161	589,030
Soybeans (mt) . . . . .	6,052	7,070	1,323,415	1,782,432	1,552	1,921	355,338	492,801
Wool, unmanufactured (mt) . . . . .	1	1	8,314	9,382	1	( <sup>1</sup> )	4,333	1,194
Cotton, unmanufactured (mt) . . . . .	233	264	307,194	353,874	117	112	157,186	155,487
Fats, oils, and greases (mt) . . . . .	351	332	143,217	165,773	118	92	48,354	45,714
Vegetable oils and waxes (mt) . . . . .	366	337	214,382	230,151	131	152	79,361	104,946
Rubber and allied gums (mt) . . . . .	4	2	5,597	1,376	2	1	2,253	717
Other . . . . .	—	—	167,809	205,112	—	—	73,328	72,814
Total . . . . .	—	—	6,110,029	8,207,079	—	—	2,323,659	2,736,577

<sup>1</sup> Less than 500. NOTE: <sup>2</sup> 1 metric ton (mt) = 2,204.622 lb.; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

## U.S. agricultural exports by regions

Region <sup>1</sup>	October-December		December		Change from Year-earlier	
	1977	1978	1977	1978	Oct-Dec 1978	December 1978
	\$ Mil.				Pct.	
Western Europe . . . . .	2,267	2,897	837	936	+28	+12
Enlarged European Community . . . . .	1,772	2,297	613	737	+30	+20
Other Western Europe . . . . .	495	600	224	199	+21	-11
Eastern Europe and USSR . . . . .	406	391	176	170	-4	-3
USSR . . . . .	240	130	107	39	-46	-64
Eastern Europe . . . . .	166	261	69	131	+57	+90
Asia . . . . .	2,005	2,920	829	1,000	+46	+21
West Asia . . . . .	232	377	88	119	+63	+35
South Asia . . . . .	75	135	25	61	+80	+144
East and Southeast Asia, ex. Japan and China . . . . .	557	770	244	284	+38	+16
Japan . . . . .	1,078	1,354	447	428	+26	-4
China . . . . .	63	284	25	108	+351	+332
Latin America and Caribbean . . . . .	566	966	191	306	+71	+60
Brazil . . . . .	47	168	29	39	+257	+34
Mexico . . . . .	166	334	33	102	+101	+209
Canada, excluding transshipments . . . . .	375	441	120	157	+18	+31
Canadian transshipments . . . . .	130	193	25	24	+48	-4
Africa . . . . .	318	355	128	129	+12	+1
North Africa . . . . .	192	155	76	40	-19	-47
Other Africa . . . . .	126	200	52	89	+59	+71
Oceania . . . . .	44	45	16	14	+2	-12
Total <sup>2</sup> . . . . .	6,110	8,207	2,324	2,737	+34	+18

<sup>1</sup> Not adjusted for transshipments. <sup>2</sup> Totals may not add due to rounding.

# U.S. agricultural imports

	October-December				December			
	1977		1978		1977		1978	
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals live, excl. poultry . . . . .	—	—	101,198	152,120	—	—	42,795	68,620
Meat and preps., excl. poultry (mt) . . . . .	188	257	299,831	554,251	96	82	154,669	186,835
Beef and veal (mt) . . . . .	155	207	198,649	402,772	78	67	100,242	138,722
Pork (mt) . . . . .	29	42	91,796	134,512	15	13	49,657	42,947
Dairy products, excl. eggs . . . . .	—	—	90,181	122,854	—	—	47,081	52,839
Poultry and poultry products . . . . .	—	—	13,520	7,065	—	—	6,347	2,213
Grains and preparations . . . . .	( <sup>1</sup> )	( <sup>1</sup> )	36,823	58,004	( <sup>1</sup> )	( <sup>1</sup> )	14,580	18,806
Wheat and flour (mt) . . . . .	( <sup>1</sup> )	( <sup>1</sup> )	12	63	( <sup>1</sup> )	( <sup>1</sup> )	3	33
Rice (mt) . . . . .	1	1	278	372	( <sup>1</sup> )	( <sup>1</sup> )	114	173
Feed grains (mt) . . . . .	52	46	5,164	4,880	23	23	2,307	2,512
Other . . . . .	—	—	31,369	52,689	—	—	12,156	16,088
Fruits, nuts, and preparations . . . . .	—	—	217,125	284,503	—	—	71,374	98,922
Bananas, fresh (mt) . . . . .	546	549	78,612	86,264	193	163	24,639	25,766
Vegetables and preparations . . . . .	—	—	119,709	148,316	—	—	53,474	69,194
Sugar and preps., incl. honey . . . . .	—	—	381,713	237,574	—	—	196,647	75,800
Sugar, cane or beet (mt) . . . . .	1,783	987	341,851	184,011	936	317	184,920	59,236
Coffee, tea, cocoa, spices, etc. (mt) . . . . .	266	458	1,018,800	1,440,885	113	151	430,204	490,992
Coffee, green (mt) . . . . .	177	314	690,239	953,185	81	99	316,055	306,470
Cocoa beans (mt) . . . . .	19	56	80,519	178,013	6	21	23,404	74,204
Feeds and fodders . . . . .	—	—	16,116	19,075	—	—	6,076	6,516
Protein meal (mt) . . . . .	2	1	316	234	1	( <sup>1</sup> )	161	73
Beverages, incl. distilled alcoholic (hl) . . . . .	11,970	19,523	121,776	228,755	4,918	6,385	47,885	75,276
Tobacco, unmanufactured (mt) . . . . .	33	34	78,084	84,561	11	10	24,794	24,822
Hides, skins, and furskins . . . . .	—	—	39,563	45,544	—	—	22,348	18,324
Oilseeds . . . . .	—	—	109,447	134,383	—	—	37,153	36,624
Soybeans (mt) . . . . .	( <sup>1</sup> )	( <sup>1</sup> )	7	2	( <sup>1</sup> )	( <sup>1</sup> )	1	( <sup>1</sup> )
Wool, unmanufactured (mt) . . . . .	4	8	11,880	22,364	2	2	5,658	6,434
Cotton, unmanufactured (mt) . . . . .	3	4	1,551	1,202	1	1	252	312
Fats, oils, and greases (mt) . . . . .	2	2	1,023	1,256	( <sup>1</sup> )	( <sup>1</sup> )	314	246
Vegetable oils and waxes (mt) . . . . .	166	177	95,323	123,001	59	45	32,028	32,931
Rubber and allied gums (mt) . . . . .	196	176	160,551	173,549	84	73	69,445	74,390
Other . . . . .	—	—	37,609	30,886	—	—	19,787	19,507
Total . . . . .	—	—	2,951,823	3,870,148	—	—	1,282,911	1,359,603

<sup>1</sup> Less than 500. NOTE: 1 metric ton (mt) = 2,204.622 lb.; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

## Trade balance

	October-December		December	
	1977	1978	1977	1978
	\$ Mil.			
Agricultural exports . . . . .	6,110	8,207	2,324	2,737
Nonagricultural exports . . . . .	23,970	31,434	8,874	10,565
Total exports . . . . .	30,080	39,641	11,198	13,302
Agricultural imports . . . . .	2,954	3,870	1,285	1,360
Nonagricultural imports . . . . .	35,455	41,518	12,191	13,672
Total imports . . . . .	38,409	45,388	13,476	15,032
Agricultural trade balance . . . . .	3,156	4,337	1,039	1,377
Nonagricultural trade balance . . . . .	-11,485	-10,084	-3,317	-3,107
Total trade balance . . . . .	-8,329	-5,747	-2,278	-1,730

# World Agricultural Production

## World supply and utilization of major crops

	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79 <sup>1</sup>
	Mil. units					
<b>Wheat:</b>						
Area (hectare) . . . . .	216.6	219.9	225.0	232.5	225.6	225.8
Production (metric ton) . . . .	372.2	357.1	350.0	415.1	381.5	422.5
Exports (metric ton) . . . . .	72.6	68.1	73.7	69.9	75.3	73.1
Consumption (metric ton) <sup>2</sup> . . .	364.0	363.1	352.2	379.8	399.0	407.3
Ending stocks (metric ton) <sup>3</sup> . .	70.3	63.6	63.0	98.4	80.8	95.9
<b>Coarse grains:</b>						
Area (hectare) . . . . .	341.6	341.6	349.5	352.0	350.5	350.3
Production (metric ton) . . . .	667.8	628.0	644.4	702.1	693.8	732.4
Exports (metric ton) . . . . .	80.9	68.9	87.8	88.6	95.6	89.5
Consumption (metric ton) <sup>2</sup> . . .	672.2	632.6	646.3	681.6	688.0	709.0
Ending stocks (metric ton) <sup>3</sup> . .	63.9	57.9	55.9	76.4	82.2	105.6
<b>Rice, rough:</b>						
Area (hectare) . . . . .	135.8	138.0	143.1	141.5	143.4	145.8
Production (metric ton) . . . .	330.9	336.8	360.6	349.1	366.2	376.5
Exports (metric ton) . . . . .	11.4	11.0	11.9	14.5	13.2	13.8
Consumption (metric ton) <sup>2</sup> . . .	328.4	336.7	352.1	350.6	359.9	371.5
Ending stocks (metric ton) <sup>3</sup> . .	17.9	18.2	26.7	25.2	31.6	36.6
<b>Total grains:</b>						
Area (hectare) . . . . .	694.0	699.5	717.6	726.0	719.5	721.9
Production (metric ton) . . . .	1,370.9	1,331.9	1,355.0	1,466.3	1,441.5	1,531.4
Exports (metric ton) . . . . .	164.9	148.0	173.4	173.0	184.1	176.4
Consumption (metric ton) <sup>2</sup> . . .	1,364.6	1,332.4	1,350.6	1,412.0	1,446.9	1,487.8
Ending stocks (metric ton) <sup>3</sup> . .	152.1	139.7	145.6	200.0	194.6	238.1
<b>Oilseeds and meals:<sup>4 5</sup></b>						
Production (metric ton) . . . .	68.3	64.3	72.8	66.4	78.8	83.7
Trade (metric ton) . . . . .	27.3	27.5	33.6	33.6	38.4	40.7
<b>Fats and oils:<sup>4</sup></b>						
Production (metric ton) . . . .	47.4	46.2	49.7	47.8	52.7	55.0
Trade (metric ton) . . . . .	13.6	13.8	15.8	16.4	18.1	19.0
<b>Cotton:</b>						
Area (hectare) . . . . .	32.8	33.4	29.8	30.8	32.6	31.6
Production (bale) . . . . .	63.2	64.3	53.9	57.4	63.5	59.4
Exports (bale) . . . . .	19.6	17.4	19.3	17.6	18.9	19.8
Consumption (bale) . . . . .	62.0	58.3	61.0	61.0	60.8	61.9
Ending stocks (bale) . . . . .	25.1	31.3	24.2	21.0	24.2	21.3

<sup>1</sup> Forecast. <sup>2</sup> Where stock data not available (excluding USSR), consumption includes stock changes. <sup>3</sup> Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. <sup>4</sup> Soybean meal equivalent. <sup>5</sup> Calendar year data. 1974 data corresponds with 1973/74, 1975 data with 1974/75, etc..

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